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STATE OF ALABAMA

ANNUAL FINANCIAL REPORT

ALABAMA
TENNESSEE
MISSISSIPPI
GEORGIA
FLORIDA
GREAT SEAL

FISCAL YEAR ENDED SEPTEMBER 30, 1990

Prepared by: The Department of Finance
Division of Control and Accounts

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Division of Control and Accounts
Alabama State House
Montgomery, AL 36130-4401

STATE OF ALABAMA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 1990

Guy Hunt
Governor

G. Robin Swift, Jr.
Director of Finance

Robert L. Childree
State Comptroller

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DIRECTOR OF FINANCE

ROBERT L. CHILDREE
STATE COMPTROLLER

To the Honorable Guy Hunt, Governor
Members of the State Legislature, and
the Citizens of Alabama:

I submit to you the Annual Financial Report for the State of Alabama for the year ended September 30, 1990. This report is part of the multi-year effort, which began in 1989, to prepare the state's financial statements according to generally accepted accounting principles. This report enables statement readers to gain a reasonable understanding of the State's operations as measured by the financial activity of its various funds. I believe the information as presented is accurate in all material respects and complies with Article IV Section 72 of the 1901 State of Alabama Constitution and Section 41-4-3(4) of the Code of Alabama, 1975 as amended. The completeness and fairness of the presentation, including all disclosures, rests with the State.

The Annual Financial Report is divided into three sections - Introductory, Financial, and Statistical. The Introductory Section contains a list of principal officials, this letter of transmittal, the State organization chart, a discussion of major accomplishments for this fiscal year, and financial highlights for 1990. The Financial Section includes the general purpose financial statements (combined statements and notes), the individual and combining fund and account group financial statements, and other schedules. The Statistical Section includes additional financial and demographic schedules that are of interest to financial statement users.

This report includes all fund and account groups of the State of Alabama. Included in the funds are the financial activities of various departments, agencies, and other organizational units governed by the State Legislature and/or the constitutional officers of the State of Alabama. The criteria used to determine which entities to include in this financial report were: financial interdependency, selection of governing authority, appointment of management, ability of the Legislative and Executive branches to influence operations significantly, and accountability for fiscal operations.

Based on these criteria, all agencies under the purview of the State Treasury and subject to direct control and scrutiny of the Finance Department and/or the State Comptroller are included. Significant agencies excluded from this report are state-funded colleges and universities (4-year institutions).

MAJOR 1990 INITIATIVES

Implementation of State-Level Accounting System

In 1989, the State Finance Department initiated a major project to convert the state's financial reporting to comply with generally accepted accounting principles (GAAP). In accordance with the conversion plan, the initial step was to install the Financial Resource Management System (FRMS) as the state's budgetary-basis accounting system. Throughout the fiscal year 1989-90, efforts centered on developing and implementing the new accounting system.

October 1, 1990 marked the beginning of full implementation of Alabama's new state-level accounting system. After 22 months of planning and development, FRMS--the Financial Resource Management System--is in place to begin a new decade of accounting and financial reporting.

Alabama's new accounting system brings several important features to the state. FRMS is a fully integrated financial system which incorporates the purchasing, payroll, departmental accounting, budgeting, and the state's treasury and disbursement functions.

The individual departments and agencies have the capability to enter purchasing and payment data into their respective accounting systems. The data is then passed electronically to the State Comptroller's Office for pre-audit, approval, and processing. FRMS is a double-entry system that provides for budgetary-basis accounting and includes full encumbrance accounting. The central accounting system which is housed in the State Comptroller's Office includes a support group to assist with implementation, training and operations support.

As an integrated system, FRMS is flexible enough to allow departmental accounting systems to be tailored to meet individual departmental needs. The system enables the state agencies and departments to retain unique account structures which are then "crosswalked" or translated to a standard chart of accounts required by the central accounting system. The accountants and managers in each department have on-line access to FRMS. Up-to-date information is available to determine the status of vouchers, outstanding purchase order balances, budget balances, warrants issued and redeemed.

Until full implementation of FRMS, state agencies were asked to provide balance sheet amounts as of September 30, 1990 to establish a complete general ledger. The Comptroller's Office reviewed this data in conjunction with the audited financial statements of these agencies for prior periods. These efforts permitted the development of the State's balance sheet. Because the state has always reported on a cash basis and without a central general ledger system, there are omissions in these financial statements. Corrections are being made, but not all issues have been addressed at this time. The 1989 fund balances of several funds have been restated due to adjustments for accruals, fund reclassifications, and the reporting of items not previously reported.

Healthy Beginnings--Initiative to Promote Prenatal Care

In 1990 a statewide health awareness and incentive program designed to reduce Alabama's infant mortality rate was unveiled. The new program, Healthy Beginnings, provides coupon incentives for women to obtain prenatal care. The program is a joint effort between the Alabama Medicaid Agency, the March of Dimes, and more than 30 volunteer and business organizations.

Healthy Beginnings is designed to increase public awareness about the importance of prenatal care, and to encourage healthy lifestyles during pregnancy. The program includes a toll-free help line and a free coupon book for a variety of products including food and grocery items, baby care needs and personal care items. The coupons may be used only after the mother visits a doctor or clinic and has the coupons validated.

Alabama Develops CITY to Help Youth at Risk

The CITY program acts as a middle man between the juvenile court systems and juvenile detention homes and provides an alternative to incarceration. CITY is designed to help youth at high risk turn their lives around and be productive citizens. The program addresses the negative aspects of a juvenile found guilty of a crime and seeks to improve life and the community in which the juvenile lives. CITY strengthens the family unit, reduces the crime rate for both the youth and the youth's siblings because of parent involvement, and provides a continued education for those in the program.

Support for the Americans with Disabilities Act

In support of the federal Americans with Disabilities Act, Alabama has begun to develop a cooperative venture among state agencies, service providers and private sector employers. The program is designed to locate, develop and encourage development and business opportunities for the state's physically and mentally disabled. The initiative involves a multi-agency commitment to encourage Alabama businesses to work with the disabled.

Public Safety Installs Fingerprinting System

The Department of Public Safety has developed an informational system that will have a significant impact on law enforcement efforts in the state. The automated fingerprint identification system will be used by city, county, state and federal law enforcement agencies. This system will network with similar identification systems in 24 other states. This system can analyze a fingerprint removed from a crime scene and within seconds through searching and matching will allow identification of the criminal.

Prison Develops Drug Rehabilitation Program

In 1990, Alabama served as a pilot project for a drug rehabilitation program at Ventress Correctional Facility in Barbour County. The prison's objective is to rehabilitate the inmates addicted to drugs in the hope that the cycle of crimes committed in order to support a drug habit can be broken. The treatment program involves four different phases ranging from pre-treatment to monitoring following the end of treatment. As a pilot project, this program may well serve as a model to be followed by other correctional facilities throughout the nation.

Alabama Coastal Waters Initiative

Alabama has recognized the importance both economically and recreationally of the Gulf Coast area to the state. The Alabama Coastal Waters Initiative was established in 1990 to bring together a team of local leaders interested in the future of the state's Gulf Coast area. A comprehensive plan will be developed to preserve the coastal area.

Prepaid Tuition Guarantees College Funding

As an alternative to financing the expense of higher education by its citizens, Alabama has established PACT--Prepaid Affordable College Tuition. The first enrollment period for PACT was May of 1990 with 14,500 participants. Through PACT, parents, grandparents, or any other sponsor may purchase a contract for a child that guarantees up to four years of future undergraduate tuition and mandatory fees at any of Alabama's public colleges or universities. The contract can be purchased through one of three payment plans--a one-time, lump-sum payment; monthly payments over five years; or extended monthly payments over a greater number of years. The age or grade of the child determines the cost of the contract. The program is administered by the State Treasurer's Office and offers the state's citizens an opportunity to invest in our most valuable resource--our children.

FINANCIAL INFORMATION

Statutory Accounting and Reporting Requirements

State law does not explicitly define the basis of accounting. However, for budgetary purposes cash basis accounting is used to meet the requirements of the Constitution which prohibits the issuance of warrants by the State Comptroller unless sufficient funds are appropriated and on hand in the state treasury. Under the cash basis, revenues and expenditures are recorded at the time cash is actually received or disbursed in accordance with the Appropriation Acts.

Traditionally, the cash basis of accounting has also been used for financial reporting. This provides a correspondence between the budget and the financial reports, but it does not report the state's financial position according to GAAP. This report is the second step in the multi-year conversion process to enable the state to report on a GAAP basis.

Financial Controls

The internal controls in the State's accounting system have been designed to comply with Alabama statutes requiring the audit of receipts and receivables; the determination of legality and correctness of each claim and expenditure; and that funds are appropriated, allotted, and on deposit in the State Treasury before any warrant is issued. The internal controls include manual pre-audit and automated system edits. These internal accounting controls provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss or unauthorized disposition and the reliability of the financial records from which the financial reports are prepared. The concept of reasonable assurance recognizes that the cost of a control should not exceed the resulting benefits.

Budgetary control is exercised through the Executive Budget Office of the State Finance Department based on the Appropriation Acts of the State Legislature. Alabama's annual Appropriation Acts include legally adopted budgets for the Budgetary General Fund, the Alabama Special Educational Trust Fund, and Other Budgeted Funds.

The Appropriation Acts identify the source of funding and the programmatic (functional) areas for which expenditures are authorized. Both the Alabama Constitution and the statutes require a balanced budget for annual financial operations. In the event that revenue collections do not meet budget projections, the Governor is required to prorate appropriations and restrict allotments to prevent an overdraft or deficit in any fiscal year for which appropriations are made. Allotments of appropriations are made quarterly based on plans of operations submitted by the departments and agencies.

These appropriations and allotments are enforced by automated edits which prevent allotments in excess of appropriations, and prevent expenditures in excess of allotments. Encumbrance accounting is utilized as purchase orders are issued to insure that purchase orders plus expenditures do not exceed allotment balances. This is modified at fiscal year end to include, in addition to purchase orders, any obligations incurred against fiscal year appropriations.

The state exercises tight control over cash balances. By statute, the state cannot draw warrants on the treasury unless there is money on hand to cover those warrants. Cash is further restricted by controls which prevent obligations (encumbrances and accounts payable) from exceeding the budgetary cash balance (cash less warrants payable).

Debt Administration

Alabama has traditionally received high bond ratings from both Standard and Poor's Corporation and Moody's Investors Service due in large part to a commitment to sound fiscal management. Both the Alabama Constitution and the statutes require a balanced budget for annual financial operations. Additionally, if revenue collections do not meet budget projections, the Governor is required to prorate appropriations and restrict allotments to prevent deficit spending in any fiscal year.

The State finances many of its major capital needs by issuing bonds. Some of this debt is general obligation debt backed by the full faith and credit of the State. Much of the debt is limited obligation debt that is the obligation of public corporations and authorities of the State. Specific revenues of each such issuer are pledged to meet the debt service requirements of these limited obligation bonds.

During the fiscal year the State issued $20 million in general obligation bonds and retired $31.8 million. As of September 30, 1990, total general obligation debt outstanding was $584.3 million. On a per capita basis, the State's general obligation bond debt is $147.

Constitutional Debt Limitations

According to Article 11, Section 213 of the Constitution of Alabama of 1901, as amended by Amendment 26, the State is constitutionally prohibited from incurring debt. The only method by which general obligation debt of the State can be incurred is by an amendment to the Constitution. Although conventions proposed by the Legislature and approved by the electorate may be called for the purpose of amending the Alabama Constitution, all amendments have historically been adopted through a procedure which requires them to be proposed by a favorable vote of three-fifths of all the members of each house of the Legislature and then approved by a majority of the votes of the State voting in a statewide election.

Cash Management

The State Treasurer has the responsibility for the investment of idle cash. Due to statutory requirements, treasury cash is invested in time deposit-open accounts, or in repurchase agreements. Additionally, the State Treasurer continues the Link Deposit Program. The State Treasurer agrees to accept three percentage points below U.S. Treasury rates for comparable securities, and the resulting savings are passed on to small business and agricultural loan applicants. If banks become unwilling to accept time deposits, the State Treasurer may then invest in other financial instruments, such as U. S. Treasury obligations, or securities issued by federal agencies.

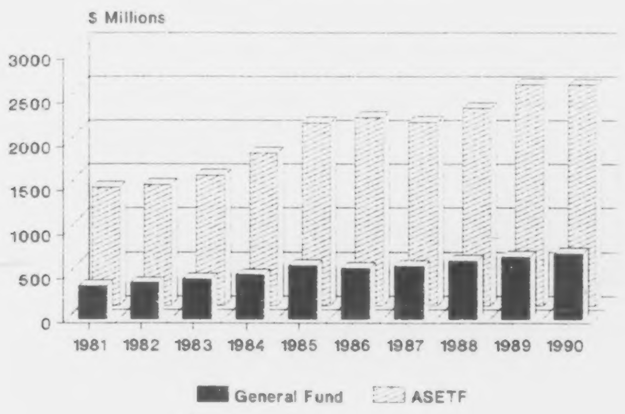
The State Treasurer has given considerable attention to cash management. In cooperation with other departments of the state, the receiving of funds into the treasury is expedited, with all available funds being invested. At the close of the year, 99.6 percent of all funds were in interest-bearing accounts, with the difference consisting of uncollected funds and small compensating balances. Interest earnings during the 1989-90 fiscal year were as follows:

Time Deposit - Open Accounts- Regular	$32.2 million
Time Deposit - Open Accounts- Linked Deposits	$ 5.3 million
Repurchase Agreements	$ 9.4 million

Additionally, the State earned $5 million in interest on the investment of the Alabama Public School and College Authority Series 1986 Bonds. Interest income is deposited in the state's Budgetary General Fund to be appropriated by the Legislature for government operations. In addition to the management of the investment of these funds, the State Treasurer has statutory authority to invest for several state agencies, with interest earnings being credited to those agencies.

Major Operating Funds

Alabama maintains a Budgetary General Fund for general government functions and a major special revenue fund, the Alabama Special Educational Trust Fund (ASETF), for educational purposes. Both funds are extremely significant in determining the overall financial condition of the State of Alabama. The following graph compares the General Fund to the ASETF and the growth of these two funds over the past 10 years.


Revenues and Other Sources
General Fund and ASETF

Enterprise Funds

The enterprise funds account for the operations of state agencies which provide goods and services to the public on a charge for services basis. The Housing Finance Authority issues its own debt and debt repayment is funded through loan service fees and interest earnings. The Alcoholic Beverage Control Board controls the sale of alcoholic beverages in the State and the profits received from these sales are transferred to fund other governmental activities. Liquor profits totalled $20.3 million for fiscal year 1990, an increase of $3.7 million over 1989.

Pension Trust Funds

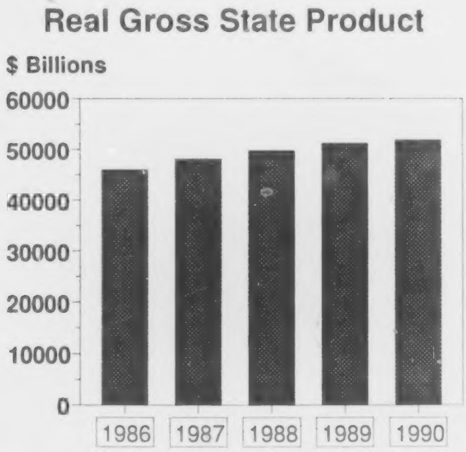
The largest of the state's fiduciary funds are its three retirement systems: Teachers' Retirement System of Alabama (TRS), Employees' Retirement System of Alabama (ERS), and Judicial Retirement Fund (JRF). Contributions were made in accordance with actuarially determined contribution requirements. Key actuarial amounts for these funds as of the latest valuation date were:

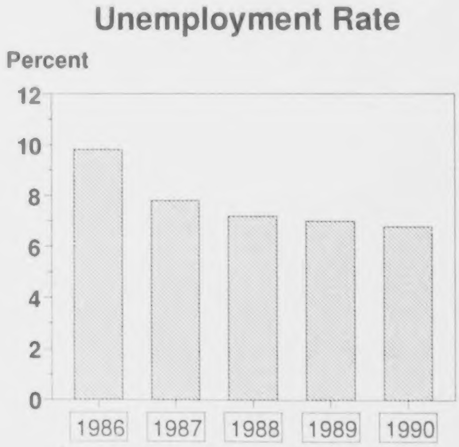
State Retirement Systems
(Amounts in Millions)

	TRS	ERS	JRF
Date of Latest Actuarial Valuation	6/30/89	9/30/89	9/30/89
Pension Benefit Obligation	$5,240	$2,387	$93
Net assets available for benefits, at cost or book value	5,304	2,465	79
Assets in Excess of (Unfunded) Pension Benefit Obligation	$ 64	$ 78	$ (14)
Percentage Funded	101.2%	103.3%	85.2%

Economic Conditions

Alabama's real gross state product has increased in each of the last five years. However, the State's economic growth slowed markedly in 1990, increasing 1.5 percent, the lowest annual rate of growth in five years. The performance of the state's economy depends largely on the manufacturing sector. In 1990 this sector provided 24 percent of the state's total nonagricultural employment compared with 17 percent for the nation. Reflecting this dependence on manufacturing, the state's unemployment rate continues to exceed the national rate. However, Alabama's unemployment rate has continued to decline since 1986 to 6.8 percent in 1990.





In general, the nondurable goods industries in Alabama have not prospered in 1989 and 1990. This has been due to weak residential construction, poor automobile sales, and weak demand for consumer products such as appliances. On the other hand, the construction industry grew in 1990 because of the building of multi-family housing units.

Apparels and textiles, two of Alabama's top four nondurable employers (apparels, textiles, food processing, and paper and allied products), have been impacted by import competition and weakened consumer demand. It is expected that these firms will reorganize production in order to gain competitiveness with foreign companies, and production processes will be further automated. Pulp and paper producers, another top nondurable employer, continue to be a growth industry in the state. Contributing to this growth are the abundant supply of wood and new capital investment in paper making machinery.

During 1990 the Governor met with officials from three major oil and gas companies. These companies, already doing business in Alabama, were encouraged to expand their natural gas exploration and development in the state. It is estimated that by 1995, total production from Mobile Bay will be about 700 million cubic feet per day, or the equivalent of what the state currently uses per day.

The present movement toward diversification of the state's manufacturing base, and a similar trend toward enlargement and diversification of the service sector are expected to lead to increased economic stability for the state. In 1990 138 new companies announced investments of $770 million and 6,295 new jobs in Alabama. The creation of 15,735 jobs and investments totalling $2.5 billion were also announced as planned expansions by existing companies.

Conclusion

I hope this report provides useful data in evaluating the financial activity of the State of Alabama. I express my appreciation to the State's department heads, chief fiscal officers, and employees for their contributions to the implementation of the State's financial management system. The combined efforts of many have allowed a major transition and many operating changes that would not have been possible without their commitment and cooperation.

Respectfully submitted,

Robert L Childree

Robert L. Childree
State Comptroller

FINANCIAL HIGHLIGHTS

For the Fiscal Year Ended September 30, 1990

Budgetary General Fund

The cash balances available for disbursement at year-end for the Budgetary General Fund for the last five years are presented below. By statute, the State is not allowed to incur obligations in excess of budgetary authority or available cash. In the Budgetary General Fund, the unobligated cash balance as of September 30, 1990 was $30.8 million. Over the past five years, in compliance with State law, budgetary controls have assured that cash was available to meet year-end obligations.

SCHEDULE OF CASH BALANCES
General Fund
Budgetary Basis
(Amounts in Thousands)

	1990	1989	1988	1987	1986
Beginning Cash Balance, October 1	$ 38,901	$ 50,828	$ 48,206	$ 24,001	$ 71,713
Revenues and Other Sources	748,654	711,957	669,226	603,783	583,926
Expenditures and Other Uses	745,020	723,884	666,604	579,578	631,638
Net Change in Fund Balance	**3,634**	**(11,927)**	**2,622**	**24,205**	**(47,712)**
Ending Cash Balance, September 30	42,535†	38,901	50,828	48,206	24,001
Cash Balance Reserved for Obligations	11,762†	20,207	18,161	18,313	15,535
Unobligated Cash Balance, Sept 30	**$ 30,773**	**$ 18,694**	**$ 32,667**	**$ 29,893**	**$ 8,466**

† The Balance Sheet shows an available cash balance of $41,784 (cash less warrants payable) and obligations of $12,566 (accounts payable, due to other funds and governments, and encumbrances). As part of the conversion to the new accounting system at year-end, several adjustments were made after the close of the budgetary fiscal year. Cash was increased by $987 and obligations by $804 as a result of residual equity transfers to close certain funds into the General Fund. An additional $1,739 was added to warrants payable to properly reflect the General Fund's legal liability for warrants outstanding from prior fiscal years.

Special Educational Trust Fund

The year-end cash balances for the Alabama Special Educational Trust Fund for the last five years are shown below. Over the past five years, in compliance with State law, budgetary controls have assured that cash was available to meet year-end obligations. Prior to 1990 a unique Alabama statute required that any unencumbered cash balance at the end of the fiscal year be transferred to an ASETF Surplus Account. As of September 30, 1990, this statute was repealed, discontinuing this transfer, leaving an available cash balance of $34.1 million.

SCHEDULE OF CASH BALANCES
Special Educational Trust Fund
Budgetary Basis
(Amounts in Thousands)

	1990	1989	1988	1987	1986
Beginning Cash Balance, October 1	$ 17,994	$ 25,629	$ 24,302	$ 165,229	$ 14,686
Revenues and Other Sources	2,515,587	2,515,711	2,262,443	2,092,890	2,141,759
Expenditures and Other Uses	2,483,901	2,489,092	2,117,283	2,194,225	1,991,216
Net Change in Cash Balance	**31,686**	**26,619**	**145,160**	**(101,335)**	**150,543**
Ending Cash Balance, September 30	49,680†	52,248	169,462	63,894	165,229
Cash Balance Reserved for Obligations	15,626†	17,994	25,629	24,302	165,229
Unobligated Cash Balance, September 30	**34,054**	**34,254**	**143,833**	**39,592**	**-**
Transfer to ASETF Surplus Account	-	34,254	143,833	39,592	-
Available Cash Balance, September 30	**$ 34,054**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

† The Balance Sheet shows an available cash balance of $50,404 (cash less warrants payable) and obligations of $16,322 (accounts payable, due to other funds and governments, and encumbrances). As part of the conversion to the new accounting system at year-end, several adjustments were made after the close of the budgetary fiscal year. Cash was increased by $724 and obligations by $696 as a result of a residual equity transfer to close a fund into the ASETF.

FINANCIAL HIGHLIGHTS

For the Fiscal Year Ended September 30, 1990

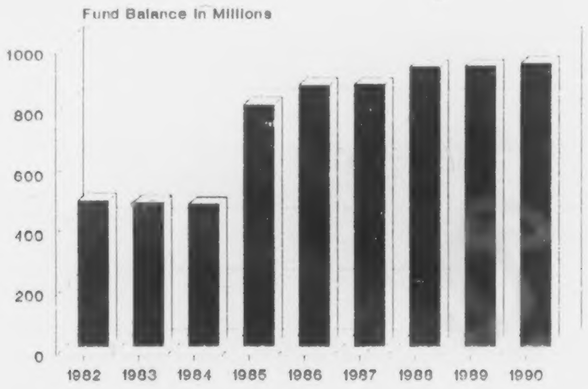
The Alabama Heritage and Alabama Trust Fund

The Alabama Heritage Trust Fund was created by constitutional amendment as a trust fund for the continuing benefit of the state and its citizens. The proceeds of all sales or lease payments received by the State from January 1, 1981 to October 31, 1981 for the rights to explore and drill for oil and gas in any offshore area created the corpus for the trust fund. As of September 30, 1990 the fund balance was $471,061,000.

The Alabama Trust Fund, an irrevocable, permanent trust fund was also created. All payments received after August 1, 1984 for the sale or lease of the rights to explore and drill for oil and gas in offshore areas off the coast of Alabama established the trust capital. The fund balance as of September 30, 1990 was $465,872,000.

Within 90 days after September 1, 2001, the trust capital of the Alabama Heritage Trust Fund will be transferred to the Alabama Trust Fund and all aspects of the Heritage Trust Fund will terminate. Combined as the Alabama Trust Fund, the trust capital will be held in perpetual trust and interest income will be transferred to the Budgetary General Fund.

The investment earnings of both the Heritage Trust Fund and the Alabama Trust Fund are constitutionally mandated to be transferred to the Budgetary General Fund, where a large portion is generally used to meet debt service payments. In 1990, investment earnings were $103.5 million. Since the two trusts were established, the capital has grown significantly, reflecting the increase in offshore drilling activity in the 1980's. The two trusts have a combined fund balance of over $937 million, and should remain a major stable funding source for the General Fund.



Major Operating Funds

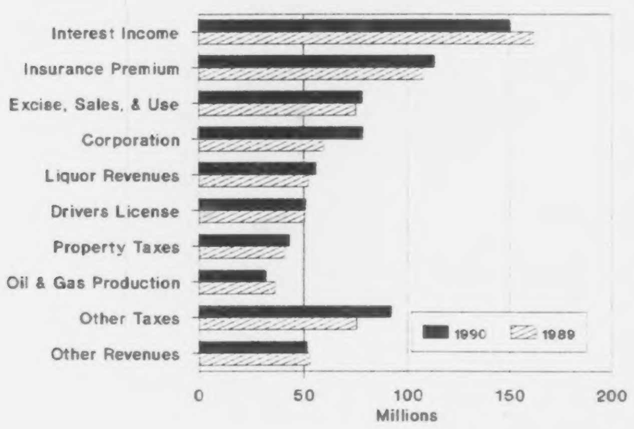
Alabama maintains a Budgetary General Fund for general government functions and a major special revenue fund, the Alabama Special Educational Trust Fund (ASETF), for educational purposes. The summarized financial activities of the Budgetary General Fund and the Alabama Special Educational Trust Fund are presented in this financial highlights section in addition to the information provided in the financial section.

The state's revenues are derived from various sources as presented on the following two pages. Most of Alabama's revenues are earmarked (designated for specific uses) by the Legislature. As such, funding patterns differ between the Budgetary General Fund and the Alabama Special Educational Trust Fund.

Budgetary General Fund Revenues

Total revenues and other financing sources in 1990 for the Budgetary General Fund were $748.7 million in 1990, an increase of $36.7 million. The largest increase was in Corporation Taxes, increasing by $19.6 million. This increase was due primarily to the settlement of a court case concerning the constitutionality of the franchise tax. The primary revenue sources for the Budgetary General Fund continue to be the insurance premium tax and interest earnings, accounting for over 35 percent of total revenues and other sources. Included in the interest earnings are $99.3 million transferred from the Heritage and Alabama Trust Funds. The remaining $51.9 million was earned on other state investments. The hazardous waste tax revenue of $4,834,000 is reported here as other taxes, rather than as other revenues as previously reported.

REVENUES AND OTHER SOURCES - *CASH BASIS*
Budgetary General Fund



Source	1990 Amount (in 000's)	% of Total	1989 Amount (in 000's)	% of Total	Increase (Decrease) from 1989
Interest Income	$151,249	20.2	$162,584	22.8	(11,335)
Insurance Premium Tax	113,640	15.2	107,926	15.2	5,714
Excise, Sales & Use Taxes	78,544	10.5	74,989	10.5	3,555
Corporation Taxes	79,006	10.6	59,438	8.3	19,568
Liquor Taxes, Licenses, & Profits	55,752	7.4	52,115	7.3	3,636
Drivers & Motor Vehicle Licenses	50,912	6.8	50,247	7.1	665
Property Taxes	43,172	5.8	40,623	5.7	2,549
Oil & Gas Production Taxes	32,272	4.3	36,068	5.1	(3,796)
Other Taxes	92,450	12.3	75,291	10.6	17,159
Other Revenues	51,658	6.9	52,676	7.4	(1,018)
Total Revenues and Other Sources	**$ 748,654**	**100.0**	**$ 711,957**	**100.0**	**$ 36,697**

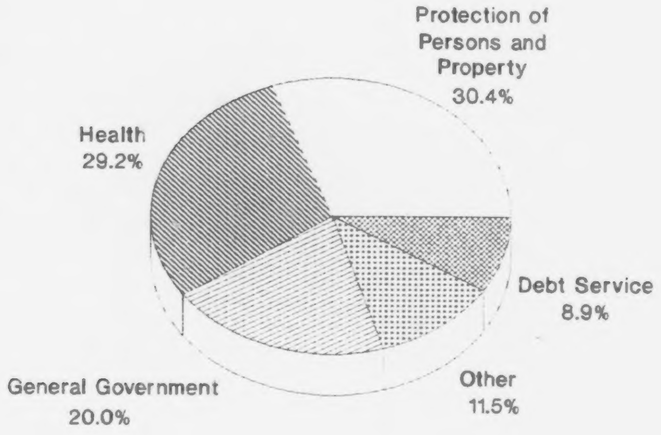
FINANCIAL HIGHLIGHTS

For the Fiscal Year Ended September 30, 1990

Budgetary General Fund Expenditures

Expenditures from the Budgetary General Fund totalled $745.0 in 1990. Budgetary General Fund expenditures are used primarily to support three functional areas of government: Protection of Persons and Property (30.4%), Physical and Mental Health (29.2%), and General Government (20.0%). The largest increase in expenditures was $13.0 million for Protection of Persons and Property.

EXPENDITURES AND OTHER USES BY FUNCTION - *CASH BASIS*
Budgetary General Fund

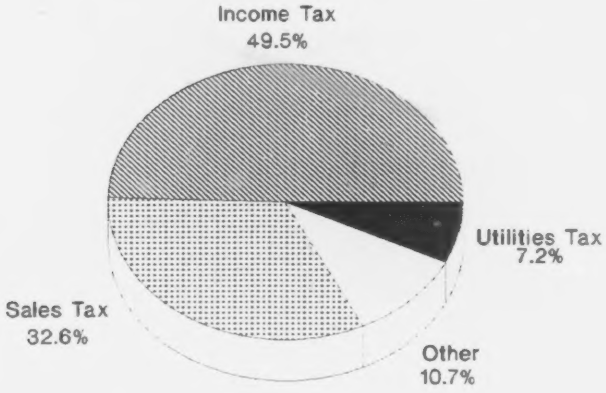


Function	1990 Amount (in 000's)	% of Total	1989 Amount (in 000's)	% of Total	Increase (Decrease) from 1989
Economic Development	$22,048	3.0	$21,900	3.0	$148
Educational & Cultural	6,251	0.8	7,705	1.1	(1,454)
Natural Resources & Recreation	4,257	0.6	4,271	0.6	(14)
Health - Physical & Mental	217,589	29.2	211,965	29.3	5,624
Social Services	33,169	4.5	31,980	4.4	1,189
Protection of Persons & Property	227,079	30.4	214,121	29.5	12,958
Transportation	72	0.0	-	0.0	72
General Government	148,908	20.0	152,963	21.1	(4,055)
Capital Projects	7,290	1.0	63	0.0	7,227
Debt Service	66,643	8.9	68,476	9.5	(1,833)
Transfers to Proprietary Funds	4,953	0.7	4,853	0.7	100
Non-Programmatic Expenditures	6,760	0.9	5,587	0.8	1,173
Total Expenditures & Other Uses	**$ 745,019**	**100.0**	**$ 723,884**	**100.0**	**$ 21,135**

Alabama Special Educational Trust Fund Revenues and Expenditures

Total revenues and other financing sources for the Alabama Special Educational Trust Fund was $2.5 billion, a decrease of $20.1 million in 1990. The chief sources of revenues for the ASETF remain the Income Tax and the General Sales Tax, contributing 82 percent of the total revenues and other sources. The revenue sources produced relatively little change over 1989. The Transfer from the ASETF Surplus Account decreased by $106.9 million, reflecting the lower surplus remaining at the end of the 1989 fiscal year. The Transfer from the Proration Prevention Account is the initial appropriation that established this account in 1988.

REVENUES AND OTHER SOURCES - *CASH BASIS*
Alabama Special Educational Trust Fund



Source	1990 Amount (in 000's)	% of Total	1989 Amount (in 000's)	% of Total	Increase (Decrease) from 1989
Income Tax	$1,244,471	49.5	$1,221,810	48.6	$22,661
General Sales Tax	822,379	32.6	769,343	30.6	53,036
Utilities Tax	181,289	7.2	175,811	7.0	5,478
General Use Tax	100,341	4.0	96,615	3.8	3,726
Transfer from ASETF Surplus Account	34,254	1.4	143,833	5.7	(109,579)
Transfer from Proration Prevention Acct	21,000	0.8	-	0.0	21,000
Other Taxes	92,595	3.7	88,586	3.5	4,009
Other Revenues	19,258	0.8	19,713	0.8	(455)
Total Revenues and Other Sources	**$2,515,587**	**100.0**	**$2,515,711**	**100.0**	**$ (124)**

Expenditures and other uses of the ASETF were in excess of $2.5 billion in 1990. Expenditures from the ASETF were primarily for educational and cultural purposes, 96.5 percent. The remaining expenditures were used for education-related programs.

STATE OF ALABAMA

PRINCIPAL STATE OFFICIALS

EXECUTIVE BRANCH

Honorable Guy Hunt
Governor

Honorable Jim Folsom, Jr.
Lieutenant Governor

Honorable George Wallace, Jr.
State Treasurer

Honorable Perry Hand
Secretary of State

Honorable Albert McDonald
Commissioner of Agriculture and Industries

Honorable Don Siegelman
Attorney General

Honorable Jan Cook
State Auditor

JUDICIAL BRANCH

Honorable E. C. "Sonny" Hornsby
Chief Justice of the Supreme Court

Justices of the Supreme Court

Honorable Hugh Maddox

Honorable Henry Mark Kennedy

Honorable Oscar W. Adams, Jr.

Honorable Henry B. Steagall,II

Honorable Janie L. Shores

Honorable Gorman Houston

Honorable Reneau P. Almon

Honorable Richard L. Jones

LEGISLATIVE BRANCH

Honorable Jim Folsom, Jr.
President of the Senate

Honorable Jimmy Clark
Speaker of the House

Honorable Ronald L. Jones
Examiners of Public Accounts

Honorable Joyce Bigbee
Legislative Fiscal Office

Honorable Louis G. Greene
Legislative Reference Service

EXECUTIVE BRANCH DEPARTMENTS

G. Robin Swift, Jr.
Department of Finance

Tandy D. Little, Jr.
ABC Board

Fred O. Braswell, III
Alabama Development Office

Oscar Tucker
Commission of the Aging

Zack Thompson
State Banking Department

James D. Martin
Department of Conservation and Natural Resources

Thomas H. Wells
Department of Public Safety

John Dutton
State Docks

Leigh Pegues
Department of Environmental Management

David Rumbarger
ADECA

Ivan F. Smith
State Military Department

Andrew P. Hornsby, Jr.
Department of Human Resources

Robin Rea
Department of Labor

J. Michael Horsley
Department of Mental Health and Mental Retardation

Lisa Shivers
Bureau of Tourism and Travel

Morris Thigpen
Department of Corrections

William Brock
Emergency Management Agency

Royce G. King
State Highway Department

J. G. Allen
Department of Industrial Relations

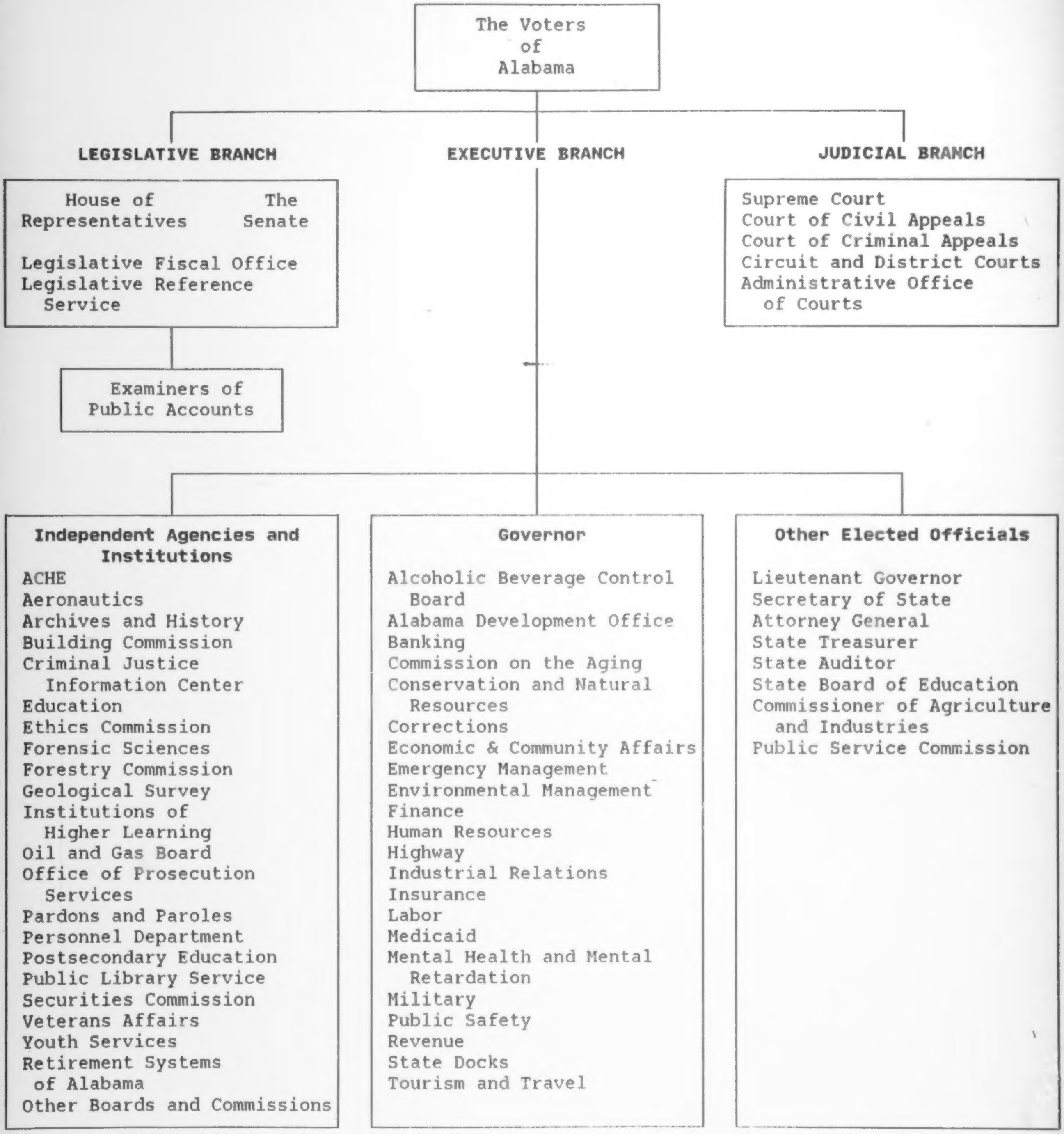
Carol Herrmann
Alabama Medicaid Agency

James M. Sizemore, Jr.
Department of Revenue

Mike Weaver
Department of Insurance

STATE OF ALABAMA

ORGANIZATION CHART



The Voters of Alabama

LEGISLATIVE BRANCH

House of Representatives

The Senate

Legislative Fiscal Office

Legislative Reference Service

Examiners of Public Accounts

EXECUTIVE BRANCH

Independent Agencies and Institutions

- ACHE
- Aeronautics
- Archives and History
- Building Commission
- Criminal Justice Information Center
- Education
- Ethics Commission
- Forensic Sciences
- Forestry Commission
- Geological Survey
- Institutions of Higher Learning
- Oil and Gas Board
- Office of Prosecution Services
- Pardons and Paroles
- Personnel Department
- Postsecondary Education
- Public Library Service
- Securities Commission
- Veterans Affairs
- Youth Services
- Retirement Systems of Alabama
- Other Boards and Commissions

Governor

- Alcoholic Beverage Control Board
- Alabama Development Office
- Banking
- Commission on the Aging
- Conservation and Natural Resources
- Corrections
- Economic & Community Affairs
- Emergency Management
- Environmental Management
- Finance
- Human Resources
- Highway
- Industrial Relations
- Insurance
- Labor
- Medicaid
- Mental Health and Mental Retardation
- Military
- Public Safety
- Revenue
- State Docks
- Tourism and Travel

Other Elected Officials

- Lieutenant Governor
- Secretary of State
- Attorney General
- State Treasurer
- State Auditor
- State Board of Education
- Commissioner of Agriculture and Industries
- Public Service Commission

JUDICIAL BRANCH

- Supreme Court
- Court of Civil Appeals
- Court of Criminal Appeals
- Circuit and District Courts
- Administrative Office of Courts

FINANCIAL SECTION
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Notes to the Financial Statements 32

STATE OF ALABAMA

COMBINED BALANCE SHEET
All Fund Types and Account Groups

September 30, 1990

(Amounts in Thousands)

	GOVERNMENTAL FUND TYPES			
ASSETS	General Fund	Special Revenue	Debt Service	Capital Projects
Cash (Note 3)	55,259	427,615	4,011	115,865
Investments (Note 3)	-	79,233	10,773	165,891
Interest & Dividends Receivable	-	118	-	-
Accounts Receivable	-	5,656	-	-
Due From Other Funds	10,688	16,287	1,510	-
Due From Other Governments	83	39,003	-	-
Inventory (Note 1E)	-	7,639	-	-
Other Assets	-	60,218	-	-
Restricted Assets (Note 1F)	-	-	-	-
Land	-	-	-	-
Buildings (Note 1G)	-	-	-	-
Equipment (Note 1G)	-	-	-	-
Construction In Progress	-	-	-	-
Other Fixed Assets	-	-	-	-
Accumulated Depreciation (Note 1G)	-	-	-	-
Amt To To Be Provided By Employer Contribution	-	-	-	-
Amount To Be Provided In Future Years for the Retirement of Long-Term Debt	-	-	-	-
TOTAL ASSETS	**66,030**	**635,769**	**16,294**	**281,756**
LIABILITIES AND FUND EQUITY				
Liabilities				
Warrants Payable	13,475	54,443	36	2,349
Accounts Payable	9,606	132,006	-	488
Due To Other Funds	235	15,980	-	-
Due To Other Governments	4	27,500	-	-
Interest Payable	-	-	-	-
Other Liabilities	-	60,218	-	-
Notes Payable	-	-	-	-
General Obligation Bonds Payable (Note 4)	-	-	-	-
Limited Obligation Bonds Payable (Note 4)	-	-	-	-
Revenue Bonds Payable (Note 4)	-	-	-	-
Capital Lease Obligations	-	-	-	-
Amts Held Pending Distribution	-	-	-	-
Amts Held In Custody For Others	-	16,632	-	-
Deferred Revenue	-	15,467	-	-
Insurance Claims Incurred But Not Reported	-	-	-	-
Total Liabilities	**23,320**	**322,246**	**36**	**2,837**
Fund Equity				
Investment in Fixed Assets	-	-	-	-
Contributed Capital	-	-	-	-
Retained Earnings, Reserved	-	-	-	-
Retained Earnings, Unreserved	-	-	-	-
Reserved For Encumbrances	2,721	42,497	-	21
Reserved For Inventory	-	7,639	-	-
Reserved For Specific Purposes	-	17,937	-	-
Unreserved, Undesignated	39,989	215,085	-	-
Unreserved, Designated	-	30,365	16,258	278,898
Reserved For Pension Benefits (Note 8)	-	-	-	-
Total Fund Equity (Note 1J)	**42,710**	**313,523**	**16,258**	**278,919**
TOTAL LIABILITIES AND FUND EQUITY	**66,030**	**635,769**	**16,294**	**281,756**

PROPRIETARY FUND TYPE		FIDUCIARY FUND TYPE	ACCOUNT GROUPS			
Enterprise Funds	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Debt	Higher Education Funds	Total (Memorandum Only)
98,403	82,334	992,797	-	-	17,901	1,794,185
837,504	-	10,267,429	-	-	27,406	11,388,236
12,541	-	176,820	-	-	-	189,479
744,966	121	25,178	-	-	10,010	785,931
3,353	13,957	363	-	-	2,121	48,279
-	149	3,193	-	-	-	42,428
28,059	27,964	-	-	-	4,851	68,513
20,545	2	-	-	-	12,813	93,578
18,069	-	-	-	-	-	18,069
24,839	174	890	30,636	-	7,678	64,217
121,561	109,173	7,996	527,647	-	205,994	972,371
158,701	151,695	1,191	267,046	-	99,736	678,369
5,792	-	-	46,061	-	4,354	56,207
99,545	1,460	-	-	-	28,470	129,475
(122,457)	(80,549)	(2,515)	-	-	-	(205,521)
-	-	674,748	-	-	-	674,748
-	-	-	-	1,408,779	-	1,408,779
2,051,421	**306,480**	**12,148,090**	**871,390**	**1,408,779**	**421,334**	**18,207,343**
24,338	3,226	261,429	-	-	-	359,296
30,024	5,749	2,928	-	-	7,746	188,547
19,293	5,757	4,893	-	-	2,121	48,279
993	-	31,864	-	-	-	60,361
40,139	1,211	-	-	-	-	41,350
15,330	14,039	-	-	-	-	89,587
-	33,681	1,418	-	-	1,047	36,146
-	-	-	-	584,272	-	584,272
1,417,316	29,500	-	-	783,962	9,936	2,240,714
3,360	226	-	-	40,545	-	44,131
499	62,743	-	-	-	3,017	66,259
-	-	16,341	-	-	-	16,341
3,080	-	145,244	-	-	1,567	166,523
12,234	-	7,069	-	-	11,477	36,247
65,994	-	-	-	-	-	65,994
1,632,600	**156,132**	**471,186**	**0**	**1,408,779**	**36,911**	**4,054,047**
-	-	-	871,390	-	328,958	1,200,348
72,484	56,623	-	-	-	-	129,107
64,350	278	-	-	-	-	64,628
275,987	89,247	-	-	-	-	365,234
-	-	40	-	-	-	45,279
-	-	-	-	-	-	7,639
6,000	4,200	1,300,574	-	-	16,230	1,344,941
-	-	692,292	-	-	39,235	986,601
-	-	371	-	-	-	325,892
-	-	9,683,627	-	-	-	9,683,627
418,821	**150,348**	**11,676,904**	**871,390**	**0**	**384,423**	**14,153,296**
2,051,421	**306,480**	**12,148,090**	**871,390**	**1,408,779**	**421,334**	**18,207,343**

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

All Governmental Fund Types and Expendable Trust Funds

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

	General Fund	Special Revenue	Debt Service	Capital Projects
REVENUES				
Taxes	479,830	3,117,648	72,452	-
Licenses, Permits & Fees	82,021	195,534	-	-
Fines & Forfeits	11,085	2,625	-	-
Interest	51,943	9,405	939	15,823
Federal Grants & Reimbursement	355	1,837,173	-	130
Other Revenues	5,829	303,537	6,894	2,204
Total Revenues	**631,063**	**5,465,922**	**80,285**	**18,157**
EXPENDITURES				
Economic Development	7,470	35,466	-	-
Educational & Cultural	4,587	2,027,353	-	-
Natural Resources & Recreation	2,314	29,852	-	-
Health - Physical & Mental	28,047	1,255,689	-	-
Social Services	7,808	497,529	-	-
Protection Of Persons & Property	81,312	246,884	-	-
Transportation	-	600,142	-	-
General Government	132,197	158,341	-	-
Capital Projects	-	-	-	78,009
Debt Service - Principal Retirement	-	-	89,905	-
Debt Service - Interest & Other Charge	-	9,297	89,005	2,292
Distributions To Local Governments	-	248,001	-	-
Total Expenditures	**263,735**	**5,108,554**	**178,910**	**80,301**
Revenues Over (Under) Expenditures	**367,328**	**357,368**	**(98,625)**	**(62,144)**
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	115,010	305,021	30,169	8,437
Operating Transfers Out	(9,788)	(308,3[illegible])	-	(16,586)
Appropriated Transfers In (Out): (Note 6A)				
General Fund	(470,179)	398,584	66,643	-
Special Educational Trust Fund	1,514	(11,478)	1,664	1,300
Transfers To Higher Education	-	(685,735)	-	-
Bond Proceeds	-	-	5,222	71,970
Total Other Financing Sources (Uses)	**(363,443)**	**(301,977)**	**103,698**	**65,121**
Revenues and Other Sources Over (Under) Expenditures & Other Uses	**3,885**	**55,391**	**5,073**	**2,977**
Fund Balance, October 1, 1989	31,777	266,203	11,210	314,674
Restatements (Note 5)	6,029	11,569	(8)	(38,732)
Residual Equity Transfers (Note 6B)	1,019	(19,640)	(17)	-
Fund Balance, September 30, 1990	**42,710**	**313,523**	**16,258**	**278,919**

Expendable Trusts	Totals (Memorandum Only)
-	3,669,930
520	278,075
15	13,725
83,576	161,686
10,934	1,848,592
185,661	504,125
280,706	**6,476,133**
-	42,936
19,716	2,051,656
-	32,166
-	1,283,736
174,610	679,947
-	328,196
-	600,142
71,237	361,775
-	78,009
-	89,905
-	100,594
-	248,001
265,563	**5,897,063**
15,143	**579,070**
-	458,637
(1)	(334,744)
-	(4,952)
-	(7,000)
-	(685,735)
-	77,192
(1)	**(496,602)**
15,142	82,468
993,694	1,617,558
2,719	(18,423)
-	(18,638)
1,011,555	**1,662,965**

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE - BUDGET AND ACTUAL - *BUDGETARY BASIS*

Budgetary General Fund and Alabama Special Educational Trust Fund

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

	GENERAL FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes	454,572	454,572	479,829	25,257
Licenses, Fees and Permits	81,757	81,757	82,026	269
Fines and Forfeits	10,714	10,714	11,081	367
Interest	48,000	48,000	51,943	3,943
Federal	-	-	273	273
Other	4,887	4,887	6,946	2,059
Total Revenues	**599,930**	**599,930**	**632,098**	**32,168**
EXPENDITURES				
Economic Development	7,737	7,737	7,590	147
Educational & Cultural	3,934	4,952	4,941	11
Natural Resources & Recreation	2,164	2,369	2,369	-
Health - Physical & Mental	28,480	28,530	28,530	-
Social Services	6,989	7,782	7,662	120
Protection of Persons and Property	77,321	79,845	79,230	615
General Government	134,743	138,828	137,467	1,361
Total Expenditures	**261,368**	**270,043**	**267,789**	**2,254**
Revenues Over (Under) Expenditures	**338,562**	**329,887**	**364,309**	**34,422**
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	125,016	125,016	116,557	(8,459)
Operating Transfers Out	(458,511)	(470,179)	(470,179)	-
Total Other Financing Sources (Uses)	**(333,495)**	**(345,163)**	**(353,622)**	**(8,459)**
Revenues and Other Sources Over (Under) Expenditures and Other Uses	**5,067**	**(15,276)**	**10,687**	**25,963**
Unreserved Fund Balance, Oct 1, 1989	18,694	18,694	18,694	-
Unreserved Fund Balance, Sept 30, 1990	**23,761**	**3,418**	**29,381**	**25,963**

SPECIAL EDUCATIONAL TRUST FUND			
Original Budget	**Final Budget**	**Actual**	**Variance Favorable (Unfavorable)**
2,383,250	2,383,250	2,441,074	57,824
350	350	364	14
-	-	-	-
-	-	-	-
-	-	-	-
14,000	14,000	16,234	2,234
2,397,600	**2,397,600**	**2,457,672**	**60,072**
-	-	-	-
2,346,774	2,375,975	2,375,684	291
-	-	-	-
-	-	-	-
20,763	20,869	20,869	-
11,784	11,435	11,435	-
6,847	8,590	8,585	5
2,386,168	**2,416,869**	**2,416,573**	**296**
11,432	**(19,269)**	**41,099**	**60,368**
3,000	3,000	24,384	21,384
(45,864)	(72,299)	(72,219)	80
(42,864)	**(69,299)**	**(47,835)**	**21,464**
(31,432)	**(88,568)**	**(6,736)**	**81,832**
34,254	34,254	34,254	-
2,822	**(54,314)**	**27,518**	**81,832**

STATE OF ALABAMA

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY

All Proprietary Fund Types and Similar Trust Funds

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		Totals (Memorandum Only)
	Enterprise Funds	Internal Service	Nonexpendable Trusts	Pension Funds	
OPERATING REVENUES					
Charges For Goods And Services	216,739	63,342	-	-	280,081
Investment Interest & Dividend	56,242	-	104,785	797,289	958,316
Insurance Premiums	329,692	-	-	-	329,692
Gain On Sale Of Investments	2,181	-	246	62,428	64,855
Rents And Leases	-	10,440	5,133	-	15,573
Retirement Contributions	-	-	-	530,897	530,897
Sale Of Land	-	-	1,379	-	1,379
Interest On Mortgage Loans	74,721	-	-	-	74,721
Total Operating Revenues	**679,575**	**73,782**	**111,543**	**1,390,614**	**2,255,514**
OPERATING EXPENSES					
Salaries, Wages, Benefits	35,488	14,968	-	4,430	54,886
Utilities And Communications	4,145	21,173	-	544	25,862
Professional Services	4,170	13,367	9	621	18,167
Supplies, Materials, Operating Expenses	102,661	3,715	-	300	106,676
Insurance Claims	277,408	-	-	-	277,408
Interest	103,749	1,404	-	132	105,285
Depreciation	11,352	8,859	-	337	20,548
Other	27,401	12,925	620	646	41,592
Operations And Maintenance	21,121	-	-	-	21,121
General & Administrative	7,970	-	-	-	7,970
Retirement Benefits	-	-	-	378,094	378,094
Return Of Contributions	-	-	-	33,283	33,283
Total Operating Expenses	**595,465**	**76,411**	**629**	**418,387**	**1,090,892**
Operating Income (Loss)	**84,110**	**(2,629)**	**110,914**	**972,227**	**1,164,622**
NON-OPERATING REVENUES (EXPENSES)					
Interest	(4,612)	455	-	-	(4,157)
Other Non-Operating Revenues	1,169	2,589	-	-	3,758
Other Non-Operating Expenses	(4)	(509)	-	-	(513)
Total Non-Operating Revenue (Expense)	**(3,447)**	**2,535**	**-**	**-**	**(912)**
Income Before Operating Transfers	**80,663**	**(94)**	**110,914**	**972,227**	**1,163,710**
TRANSFERS					
Operating Transfers In	3,524	1,078	6	2,681	7,289
Appropriated Transfers from General Fund	2,541	2,412	-	-	4,953
Appropriated Transfers From ASETF	-	7,000	-	-	7,000
Operating Transfers Out	(26,451)	(1,983)	(99,283)	(3,011)	(130,728)
Total Transfers	**(20,386)**	**8,507**	**(99,277)**	**(330)**	**(111,486)**
Net Income Before Extraordinary Items	**60,277**	**8,413**	**11,637**	**971,897**	**60,277**
Extraordinary Loss (Note 4)	(1,116)	-	-	-	(1,116)
Net Income (Loss)	**59,161**	**8,413**	**11,637**	**971,897**	**1,051,108**
Required Future Contributions	-	-	-	50,489	50,489
Fund Equity, October 1, 1989	360,303	63,112	951,633	8,675,400	10,050,448
Restatements (Note 5)	361	29,737	4,293	-	34,391
Changes In Contributed Capital	(1,004)	30,449	-	-	29,445
Residual Equity Transfers (Note 6B)	-	18,638	-	-	18,638
Fund Equity, September 30, 1990	**418,821**	**150,349**	**967,563**	**9,697,786**	**11,234,519**

COMBINED STATEMENT OF CHANGES IN FUND BALANCES
Higher Education Funds

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

	CURRENT FUNDS			
	Unrestricted	Restricted	Loan	Endowments and Similar Funds
REVENUES AND OTHER ADDITIONS				
Unrestricted Educational & General Revs	54,382	-	-	-
Auxiliary Revenues	16,025	-	-	-
Restricted Revenues:				
Federal Revenue	-	15,480	50	-
Federal Grants and Contracts	-	30,772	-	-
State Grants and Contracts	-	2,475	-	-
Local Grants and Contracts	-	70	-	-
Private Gifts, Grants, and Contracts	-	208	6	117
Investment Income	-	30	3	40
Interest on Student Loans	-	-	16	-
Endowment Income	-	28	-	6
Realized Gains/Losses on Investments	-	-	-	1
Other	17	142	5	8
Expended for Plant Facilities	-	-	-	-
Retirement of Indebtedness	-	-	-	-
Total Revenues and Other Additions	**70,424**	**49,205**	**80**	**172**
EXPENDITURES AND OTHER DEDUCTIONS				
Educational and General Expenditures	722,630	49,410	7	5
Auxiliary Enterprises Expenditures	14,884	141	-	-
Administrative and Collection Costs	-	4	24	-
Refunded to Grantors	-	78	10	-
Loan Cancellation and Write-Offs	-	-	15	-
Other	18	635	8	5
Expended for Plant Facilities				
Land	-	-	-	-
Building and Alterations	-	-	-	-
Improvements Other than Buildings	-	-	-	-
Equipment	-	-	-	-
Construction in Progress	-	-	-	-
Other	(12)	-	-	-
Retirement of Indebtedness	-	-	-	-
Interest on Indebtedness	-	-	-	-
Disposal of Plant Assets	-	-	-	-
Adjustments / Transfers to Plant Assets	-	-	-	-
Total Expenditures and Other Deduct	**737,520**	**50,268**	**64**	**10**
TRANSFERS AMONG FUNDS - ADDITIONS (DEDUCTIONS)				
Mandatory Transfers	(2,659)	-	6	-
Nonmandatory Transfers	(1,727)	(135)	-	-
Operating Transfer From ASETF	673,424	1,055	-	-
Total Transfers	**669,038**	**920**	**6**	**0**
Net Increase (Decrease)	**1,942**	**(143)**	**22**	**162**
Beginning Fund Balance	23,982	1,777	834	1,704
Restatements	(1,293)	(49)	(19)	13
Ending Fund Balance	**24,631**	**1,585**	**837**	**1,879**

PLANT FUNDS					
Unexpended	State Bond Authorities	Renewal and Replacement	Retirement of Indebtedness	Investment in Plant	TOTAL
-	-	-	-	-	54,382
-	-	-	-	-	16,025
-	-	-	-	-	15,530
239	601	2	115	-	31,729
-	-	-	-	-	2,475
-	-	-	-	-	70
97	83	2	-	17	530
1,194	-	205	200	-	1,672
-	-	-	-	-	16
-	-	-	-	-	34
-	-	-	-	-	1
6,987	183	20	2,226	6,649	16,237
-	-	-	-	17,920	17,920
-	-	-	-	818	818
8,517	**867**	**229**	**2,541**	**25,404**	**157,439**
-	-	-	-	-	772,052
-	-	-	-	-	15,025
87	-	11	21	-	147
-	-	-	-	-	88
-	-	-	-	-	15
-	-	-	-	-	666
339	-	-	-	-	339
1,131	132	398	-	-	1,661
986	52	300	10	-	1,348
549	434	55	-	-	1,038
824	1,432	72	-	1,100	3,428
1,106	78	555	-	(15)	1,712
101	-	1,390	1,390	30	2,911
55	-	-	684	-	739
-	-	-	-	(2,296)	(2,296)
-	(97)	-	-	(417)	(514)
5,178	**2,031**	**2,781**	**2,105**	**(1,598)**	**798,359**
125	-	1,239	1,125	-	(164)
2,569	-	445	(991)	-	161
357	352	-	-	-	675,188
3,051	**352**	**1,684**	**134**	**0**	**675,185**
6,390	(812)	(868)	570	27,002	34,265
14,871	2,713	3,040	2,166	307,692	358,779
(2,391)	(555)	(0)	29	(5,735)	(10,000)
18,870	**1,346**	**2,172**	**2,765**	**328,959**	**383,044**

COMBINED STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES

Higher Education Funds

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

	CURRENT FUNDS		
	Unrestricted	Restricted	TOTAL
REVENUES			
Tuition	42,022	-	42,022
Federal Appropriations	54	3,115	3,169
Federal Grants and Contracts - Student	9	28,131	28,140
Federal Grants and Contracts - Other	414	15,001	15,415
State Grants and Contracts	782	2,499	3,281
Local Grants and Contracts	184	87	271
Local Appropriations	3	-	3
Private Gifts, Grants, and Contracts	1,121	199	1,320
Facilities Renewal Fee	1,333	7	1,340
Investment Income	1,281	22	1,303
Endowment Income	36	27	63
Realized Gains/Losses on Investments	-	-	-
Sales & Services of Educational Activities	2,042	3	2,045
Other Revenues	5,503	70	5,573
Sales & Services of Auxiliary Enterprises	15,624	44	15,668
Total Revenues	**70,408**	**49,205**	**119,613**
EXPENDITURES AND MANDATORY TRANSFERS			
Educational and General:			
Instruction	107,493	8,034	115,527
Public Service	222	1,049	1,271
Academic Support	14,766	2,861	17,627
Student Services	16,295	7,362	23,657
Institutional Support	26,902	3,011	29,913
Operation and Maintenance of Plant	22,712	888	23,600
Scholarships	5,167	26,816	31,983
Auxiliary Enterprises Expenditures	15,644	142	15,786
Educational & General Expenditures - Four Year Institutions	528,314	-	528,314
Total Expenditures	**737,515**	**50,163**	**787,678**
Mandatory Transfers	2,659	-	2,659
Total Expenditures & Mandatory Transfer	**740,174**	**50,163**	**790,337**
OTHER ADDITIONS (DEDUCTIONS)			
Refunded to Grantors	-	(104)	(104)
Excess Restricted Receipts Over Revenue	-	29	29
Other	11	(30)	(19)
Transfers Among Higher Education Funds	(1,727)	(135)	(1,862)
Transfers in From ASETF	673,424	1,055	674,479
Total Other Additions (Deductions)	**671,708**	**815**	**672,523**
Net Increase (Decrease) in Fund Balance	**1,942**	**(143)**	**1,799**

NOTES TO THE FINANCIAL STATEMENTS

For the Fiscal Year Ended September 30, 1990

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1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

All potential component units were considered by management for financial reporting purposes. The decision to include a potential component unit in the reporting entity was based on applying the criteria set forth in GAAP. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the state's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to influence operations significantly, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the state and/or its citizens, or whether the activity is conducted within the geographic boundaries of the state and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the state is able to exercise oversight responsibilities. Based upon the application of these criteria, the following significant component units are included in these financial statements. The State has no responsibility for any debt of these organizations:

Alabama Agricultural Markets and Coliseum Corporation
Alabama Building Finance Authority
Alabama Building Renovation Finance Authority
Alabama Corrections Institution Finance Authority
Alabama Highway Authority
Alabama Industrial Access Road and Bridge Corporation
Alabama Judicial Building Authority
Alabama Mental Health Finance Authority
Alabama Public School and College Authority
State Industrial Development Authority
Alabama Trade School and Junior College Authority
Alabama Water Pollution Control Authority

The general purpose financial statements also include the Alabama State Docks and the Alabama Housing Finance Authority although these agencies are not under the purview of the State Treasury. These agencies have been audited by independent certified public accounting firms and the amounts reported are based solely on the audited financial statements provided by these organizations. The financial statements for the Alabama College System and the Unemployment Compensation Trust Fund are also reported in the general purpose financial statements.

The state-supported colleges and universities (4-year institutions) are a part of the state's reporting entity. These component units are not included in these financial statements because each maintains its own accounting system and it was not practicable to obtain the required financial information. However, these financial statements do reflect the operating transfers to higher education from the Alabama Special Educational Trust Fund. The details of expenditures and the details of other funding sources for the 4-year institutions are not reported. The financial statements do not include financial information for the Alabama Higher Education Loan Corporation which is a part of the state's reporting entity.

Non-state agencies have been excluded from the reporting entity. State funding provided to private non-profit organizations and private schools is discretionary. These non-profit corporations are governed and controlled by their boards, members, or bylaws with no provision for state control.

B. Fund Accounting

The State uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are to be paid. The difference between fund assets and liabilities, the fund equity, is referred to as "fund balance." The expendable assets may include assets other than cash, and therefore, fund balance may not be equivalent to cash balance. In the past, because the state has operated and reported on a cash basis, the terms cash balance and fund balance were considered interchangeable.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund, a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

C. Basis of Accounting

The basis of accounting determines when the State recognizes revenues and expenditures/expenses, regardless of measurement focus. The State has kept its records and has prepared its financial statements for previous years primarily on the budgetary basis which approximates the cash basis with certain material exceptions. Encumbrances which represent obligations against the current fiscal year appropriations and cash are accrued. At year end, fund balances are reserved to accrue expenditures for those outstanding and measurable encumbrances. In the State's central accounting system, revenues are recognized in the accounting period in which they are received and available and expenditures are recognized in the accounting period in which the fund liability is paid. As a part of the multi-year conversion to GAAP reporting, last year's financial statements established where practicable beginning balance sheet balances, a General Fixed Assets Account Group, and a General Long-Term Debt Account Group. Some of these beginning balances have been restated this year where more complete information is now available.

The operating statements contained in this report are based primarily on the cash basis records that comprised the state's accounting system until September 30, 1990. Accruals, where appropriate, have been made in all areas where information was available. The operating statements may therefore not be strictly comparable to the previous year's statements which were largely cash based.

The major nonexpendable trust funds, the Alabama Heritage Trust Fund and the Alabama Trust Fund, prepare all financial statements on a cash basis. The accrual basis of accounting is used by the pension trust funds. Under this method, revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred.

D. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

E. Inventories

Inventories of materials and supplies are determined by both physical counts and through perpetual inventory systems and are valued at the lower of cost or market. Valuation methods used by the proprietary and governmental funds include first-in-first-out, average cost, weighted average, and retail inventory method.

F. Restricted Assets

Enterprise fund assets required to be held and/or used as specified in bond covenants have been recorded as Restricted Assets. These assets consist primarily of U.S. Treasury obligations and certificates of deposit. Alabama State Docks, as required by bond covenants, maintains a balance in its debt service reserve fund equal to the debt service in any current or subsequent year. Alabama State Docks, as required, also maintains a replacement fund for annual or extraordinary repairs or construction on coal handling facilities.

G. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at the estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting primarily of roads and bridges are not capitalized, as these assets are immovable and of value only to the State.

Assets in the general fixed assets account group are not depreciated. In those proprietary funds where depreciation expense has been recorded, the depreciation of buildings, equipment and vehicles is computed using the straight line method and other methods over the estimated useful life of the asset.

H. Compensated Absences

Although no liability is presented on the financial statements, state employees accumulate annual and sick leave as it is earned. The amount of unrecorded liabilities for unused annual and sick leave exceeds the value of a normal year's accumulation. This amount is material but is not readily determinable.

Substantially all employees earn 13 days of sick leave each year with accumulation limited to 150 days. Payment is made for one-half of unused sick leave at retirement. The employee must have 25 years of service or have attained the age of 60 and have 10 years of service to be eligible to retire. State Troopers must have 25 years of service or have attained the age of 52 and have 10 years of service to be eligible to retire.

Substantially all employees earn from 13 to 29 1/4 days of annual leave each year with accumulation limited to 60 days. Payment is made to eligible employees for unused annual leave at termination or retirement.

I. Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

J. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants and/or contributions. The capital grants and contributions are received from the federal government or other state funds.

Reservations of fund equity of proprietary funds are created by increases in assets restricted for renewal and replacement. Increases in reserves result from earnings on restricted assets and other interfund transfers to restricted accounts. Earnings on restricted assets are included in net income. Reserves of governmental funds indicate that a portion of the fund balance is not appropriable for expenditure or is legally segregated for a specific future use.

Fund balance designations are established to indicate tentative plans for financial resource utilization in a future period. Such designations reflect managerial plans or intent as distinguished from reserves.

K. Totals (Memorandum Only) Columns

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or change in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

L. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

2 BUDGETARY ACCOUNTING AND REPORTING

A. Budgetary Policies

Formulation of the budget begins with the preparation of estimates of expenditure requirements for the next fiscal year by the administrative head of each budgeted agency and institution. These estimates are submitted annually to the Executive Budget Office on or before the first day of the third month preceding each regular session of the Legislature. The budget is prepared by program, elements or reporting units and major objects of expenditure in accordance with a standard plan of classification. Requested changes in programmatic expenditures over the prior fiscal year must be explained, and proposed capital expenditures must be justified as required by the Executive Budget Office.

The budget document, as finally developed by the Governor, is published and transmitted to the Legislature on or before the second legislative day of each regular session. The budget includes financial statements showing balances in the state treasury, bonded indebtedness, and summaries of recommended appropriations and estimated state revenues for the fiscal year in progress and the fiscal year to which the budget relates. The recommended appropriation bills indicate the programmatic appropriation to each agency and institution and the source of funds from which each appropriation is to be paid. The appropriation recommendations, subject to alteration by the Legislature, are adopted by the Legislature as the Appropriation Acts.

B. Financial and Administrative Controls

The internal controls in the State's accounting system have been designed to comply with Alabama statutes. The statutes require the audit of receipts and receivables; the determination of legality and correctness of each claim and expenditure; and that funds are appropriated, allotted, and on deposit in the State Treasury before any warrant is issued. The internal controls include manual pre-audit and automated system edits. These internal accounting controls provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss or unauthorized disposition and the reliability of the financial records from which the financial reports are prepared. The concept of reasonable assurance recognizes that the cost of a control should not exceed the resulting benefits.

Budgetary control is exercised through the Executive Budget Office of the State Finance Department based on the Appropriation Acts of the State Legislature. Alabama's annual Appropriation Act includes legally adopted budgets for the Budgetary General Fund, the Alabama Special Educational Trust Fund, and Other Budgeted Funds.

The Appropriation Acts identify the source of funding and the programmatic (functional) areas for which expenditures are authorized. Both the Alabama Constitution and the statutes require a balanced budget for annual financial operations. In the event that cash collections do not meet budget projections, the Governor is required to prorate appropriations and restrict allotments to prevent an overdraft or deficit in any fiscal year for which appropriations are made. Allotments of appropriations are made quarterly based on plans of operations submitted by the departments and agencies. These appropriations and allotments are enforced by automated edits which prevent allotments in excess of appropriations, and prevent expenditures in excess of allotments.

C. Encumbrance Accounting

Encumbrance accounting is utilized as purchase orders are issued to insure that purchase orders plus expenditures do not exceed allotment balances. This is modified at fiscal year-end to include, in addition to purchase orders, any other obligations or accounts payable incurred against fiscal year appropriations and allotments.

D. Budgetary Funds

Alabama is funded by two major appropriation acts, the General Appropriations Act and the Alabama Special Educational Trust Fund Appropriations Act. These Acts do not present budgets by GAAP fund. Instead, budgets are presented for:

The Budgetary General Fund This fund is the state's general operating fund. The resources in this fund are primarily taxes and licenses and interest income. The State expends general funds to provide traditional state government services. The Budgetary General Fund is the General Fund in the General Appropriations Act. The General Appropriations Act includes all budgeted resources, that is, General Fund, federal funds, and department-generated resources.

The Alabama Special Educational Trust Fund (ASETF). This fund is a major special revenue fund for educational purposes. The resources in this fund are primarily from income taxes and sales taxes. The ASETF is funded by the Alabama Special Educational Trust Fund Appropriations Act. This Act includes all budgeted resources, that is, special revenue funds and federal funds.

The accompanying financial statements include a Combined Statement of Revenues, Expenditures, and Changes in Fund Balances--Budget and Actual (Budgetary Basis). Budget and Actual statements are presented for the Budgetary General Fund and the Alabama Special Educational Trust Fund only, and not for other budgeted funds.

E. Budgetary Basis of Accounting

State law does not explicitly define the basis of accounting. However, cash basis accounting has been used for budgetary purposes. Traditionally, the cash basis of accounting has also been used for financial reporting. This provides a correspondence between the budget and the financial reports, but it does not report the state's financial position according to GAAP. This report is the second report in the multi-year conversion process to enable the state to report on a GAAP basis.

The budgetary financial statements are prepared on a cash basis of accounting with an accrual of encumbrances at year end. Encumbrances represent obligations against the current fiscal year appropriations and cash. At year end, fund balances are reserved to accrue expenditures for those outstanding and measurable encumbrances.

F. Lapsing of Appropriations

All unencumbered balances of all appropriations revert at the end of each fiscal year and are credited to the General Fund or to the special fund from which the appropriation was made. Appropriations for the purchase of land, the construction of buildings, or for the maintenance of roads and bridges of the state highway system continue until the completion of the project.

3 CASH AND INVESTMENTS

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the State. Due to statutory requirements, all deposits of public funds in excess of that covered by federal depository insurance (FDIC), must be fully collateralized. Acceptable securities to be used for collateral include obligations of the U.S. government, federal agencies, general obligation bonds of the various states of the continental United States which have a rating of "A" or better by Moody's Investors Rating Service, Inc., general obligation bonds or warrants of any Alabama county or municipality, obligations of any county secured by a pledge of the special road, bridge and public building tax, bonds of any county or city board of education secured by pledge of special taxes, or bonds issued by electric, natural gas, sewer and water revenue bonds.

Revenue or limited obligation bonds must have a debt service coverage in excess of two times. This collateral must be held by the State Treasurer, the Federal Reserve Bank, or an Alabama commercial bank with which the State Treasurer has executed a safekeeping contract. All collateral is segregated, and held specifically for the State Treasurer.

The State Treasurer, with the exception of the Retirement Systems' funds, is responsible for the investment of idle cash. Due to statutory requirements, treasury cash is invested in time deposit - open accounts or in repurchase agreements.

The Boards of Control of the Retirement Systems of Alabama have the responsibility to invest and reinvest available funds in bonds, mortgages, common and preferred stocks, or other investment vehicles in such a manner as to maximize return while maintaining a sound portfolio with minimum risk. By law, investments are subject to regulations governing Alabama life insurance companies. Additionally, investment in common and preferred stocks is limited to 20 percent of the book value of the investment portfolio. The Boards of Control have established certain additional investment policies restricting Teachers' Retirement System and Employees' Retirement System investment in privately placed corporate bonds to 40 percent and investment in Canadian bonds to 10 percent of the total book value of the investment portfolio.

Bonds are carried at adjusted amortized cost. Purchase premiums or discounts are amortized over the life of the bond, primarily, under the effective yield method. Adjustments to amortized cost are generated when the bonds are exchanged and the resultant gain or loss is deferred as a yield adjustment and is amortized from the date of the exchange to the earliest of the maturity dates of the bond exchanged or the new bond acquired. Deferred amortizable costs resulting from bond exchanges are not material to the financial statements. U.S. Government guaranteed and insured conventional mortgage loans are recorded at the aggregate of the unpaid balances, less unearned discount on those loans acquired at less than the principal amount. Common stock, guaranteed investment contracts, commercial paper and certificates of deposit are carried at cost. In the event of permanent impairment, the carrying value of the appropriate investment would be adjusted to market.

Investments other than the Retirement Systems' funds are stated at cost or amortized cost, except for investments in the deferred compensation agency fund, the Public Employees Benefit Services Corporation, which are reported at market value.

The investments of the Retirement Systems of Alabama (RSA) are summarized below. Investments registered in the name of the Retirement Systems and held by RSA or the Treasurer are listed in the RSA column. Those investments that are unregistered for which the securities are held by the broker, dealer, or RSA's safekeeping agent are shown in the Agency column. The market value is shown for each category of investments.

Investments of the Retirement Systems of Alabama
(Amounts in Thousands)

	Book Value		Total	Market
	RSA	Agent	Book Value	Value
Commercial paper and other short term investments	$ 0	$ 609,652	$ 609,652	$ 609,652
U.S. Government guaranteed	0	206,408	206,408	228,948
Mortgages	2,732,330	0	2,732,330	2,691,574
Corporate bonds	1,101,993	3,358,681	4,460,674	4,413,700
Common and preferred stocks	4,282	765,805	770,087	720,694
Real Estate	34,712	0	34,712	34,712
Total	**$3,873,317**	**$4,940,546**	**$8,813,863**	**$8,699,280**

4 LONG-TERM DEBT

The State finances many of its major capital needs by issuing bonds. Some of this debt is general obligation debt backed by the full faith and credit of the State. Much of the debt is limited obligation debt that is the obligation of public corporations and authorities of the State. The State issues serial and term bonds and capital appreciation bonds. Capital appreciation bonds are sold at a substantial discount and do not pay any interest until the bonds mature. Based on the original offering price, the bonds increase in value as semi-annual interest is earned and is compounded from the original issuance date to the date of maturity. The issuance of this type bond postpones the cash flow until the bonds mature or are called. The increase in the value of the bonds is reported as bond accretion.

General Obligation Bonds The State issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The full faith and credit of the State are pledged for the payment of the bonds.

The following schedule details the annual funding requirements necessary to amortize the General Obligation Bonds including accrued accreted interest on capital appreciation bonds. The schedule includes Capital Improvement Bonds, Coosa Waterways Bonds, Corrections Institution Bonds, Docks Facilities Bonds, Parks Bonds, Tennessee Tombigbee Waterways Bonds, Music Hall of Fame Bonds, 1982 General Obligation Bonds Series A and B not refunded, 1983 General Obligation Refunding Bonds Series A and B, 1989 General Obligation Refunding Bonds, and General Obligation Bonds Series 1990. Principal and interest requirements for the current year totalled $32,055,000 and $37,212,971, respectively.

GENERAL OBLIGATION BONDS
Debt Service Requirement to Maturity

Maturity Date	Principal	Interest	Total
1991	37,705,000	35,765,709	73,470,709
1992	35,510,000	41,039,479	76,549,479
1993	38,110,000	37,779,744	75,889,744
1994	40,915,000	34,804,684	75,719,684
1995	44,745,000	31,545,264	76,290,264
1996-2010	387,287,069	246,567,308	633,854,377
Total	584,272,069	427,502,188	1,011,774,257

Limited Obligation Bonds Limited obligation bonds are limited obligations of the issuing public corporations and authorities. These bonds are not secured by the full faith and credit of the State. The Legislature (through enabling legislation) and the Governor (by executive order) have created public corporations and authorities of the State for the purpose of financing certain projects and programs such as public highways, public educational facilities, judicial facilities, student loans, single and multi-family housing, and agricultural development loans. Limited obligation bonds are payable from revenues pledged such as earmarked tax revenues and revenues from projects or programs. The schedules below present the outstanding limited obligation bonds at September 30, 1990 including accrued accreted interest on capital appreciation bonds.

The Alabama Public School and College Authority (APSCA) is authorized to issue bonds to construct and improve public buildings used for educational purposes. Revenue from the sales and use taxes, the leasing tax, and the utilities gross receipts and use taxes are pledged for the payment of these bonds. The following schedule details the annual funding requirements necessary to amortize bonds issued by APSCA.

ALABAMA PUBLIC SCHOOL AND COLLEGE AUTHORITY
Debt Service Requirements to Maturity

Maturity Date	Principal	Interest	Total
1991	36,270,000	32,378,597	68,648,597
1992	38,855,000	29,835,531	68,690,531
1993	41,710,000	27,003,106	68,713,106
1994	44,855,000	23,891,311	68,746,311
1995	48,345,000	20,473,895	68,818,895
1996-2006	284,732,997	131,042,277	415,775,274
Total	494,767,997	264,624,717	759,392,714

The Alabama Industrial Access Road and Bridge Authority is authorized to issue bonds to finance the construction of industrial access roads and bridges in the state. Revenues from gasoline, motor fuel, and lubricating oil taxes are pledged for the payment of these bonds. The following schedule details the annual funding requirements necessary to amortize bonds issued by the authority.

ALABAMA INDUSTRIAL ACCESS ROAD AND BRIDGE AUTHORITY
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
1991	5,535,000	1,264,898	6,799,898
1992	4,445,000	916,193	5,361,193
1993	4,725,000	631,712	5,356,712
1994	5,030,000	326,950	5,356,950
Total	19,735,000	3,139,753	22,874,753

The Alabama Trade School and Junior College Authority is authorized to issue bonds to finance the construction and improvement of trade schools and junior colleges. Revenue from the tax on malt or brewed beverages is pledged for the payment of these bonds. The following schedule details the annual funding requirements necessary to amortize bonds issued by the authority.

ALABAMA TRADE SCHOOL AND JUNIOR COLLEGE AUTHORITY
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
1991	1,680,000	63,000	1,743,000

The Alabama Highway Authority issues bonds that are limited obligations of the Authority and are for the purpose of financing the construction of public roads and bridges. Revenues from the proceeds of motor vehicle licenses, gasoline taxes, motor fuel taxes, motor carrier taxes, petroleum inspection fees, and liquefied petroleum gas permit fees are pledged for the payment of these bonds. The following schedule details the annual funding requirements necessary to amortize bonds issued by the authority.

ALABAMA HIGHWAY AUTHORITY
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
1991	14,070,000	3,406,574	17,476,574
1992	6,720,000	2,611,268	9,331,268
1993	8,080,000	2,077,540	10,157,540
1994	5,785,000	1,458,888	7,243,888
1995	5,905,000	1,036,408	6,941,408
1996-1997	23,812,071	14,825,654	38,637,725
Total	64,372,071	25,416,332	89,788,403

The State Industrial Development Authority issues bonds for the purpose of financing projects that promote the industrial development of the State. Revenues from cigarette and tobacco taxes are pledged for the payment of these bonds. The following schedule details the annual funding requirements necessary to amortize bonds issued by the authority.

STATE INDUSTRIAL DEVELOPMENT AUTHORITY
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
1991	1,715,000	942,060	2,657,060
1992	1,870,000	793,536	2,663,536
1993	1,555,000	659,529	2,214,529
1994	1,065,000	557,008	1,622,008
1995	1,105,000	464,696	1,569,696
1996-1999	4,605,000	816,436	5,421,436
Total	11,915,000	4,233,265	16,148,265

The Alabama Agricultural Markets and Coliseum Corporation issues bonds for the purposes of funding the construction of a market facility and the renovation of the Garrett Coliseum located in Montgomery. These bonds are secured by a pledge of all rents, leases, charges or other net revenues derived from leases of the market facility, and the pledge of petroleum products inspection fees. The following schedule details the annual funding requirements necessary to amortize bonds issued by the corporation.

ALABAMA AGRICULTURAL MARKETS AND COLISEUM CORPORATION
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
1991	430,000	378,770	808,770
1992	460,000	346,950	806,950
1993	495,000	311,300	806,300
1994	535,000	271,700	806,700
1995	580,000	227,830	807,830
1996-1998	2,045,000	370,330	2,415,330
Total	4,545,000	1,906,880	6,451,880

The Alabama Corrections Institution Finance Authority issues bonds for the purposes of acquiring land and constructing correctional institutions. The bonds are payable solely out of revenues derived from payments under a lease agreement between the authority and the Department of Corrections. The following schedule details the annual funding requirements necessary to amortize bonds issued by the authority.

ALABAMA CORRECTIONS INSTITUTION FINANCE AUTHORITY
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
1991	1,550,000	3,310,895	4,860,895
1992	1,655,000	3,199,295	4,854,295
1993	1,775,000	3,080,135	4,855,135
1994	1,900,000	2,952,335	4,852,335
1995	2,035,000	2,815,535	4,850,535
1996-2006	35,760,000	18,165,130	53,925,130
Total	44,675,000	33,523,325	78,198,325

The Alabama Mental Health Finance Authority issues bonds for the acquisition, construction, improvement and equipping of mental health facilities. Revenues from certain tobacco and liquor taxes are pledged for the payment of principal and interest on these bonds. The following schedule details the annual funding requirements necessary to amortize bonds issued by the authority.

ALABAMA MENTAL HEALTH FINANCE AUTHORITY
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
1991	1,625,000	4,655,469	6,280,469
1992	1,745,000	4,535,625	6,280,625
1993	1,875,000	4,406,931	6,281,931
1994	2,010,000	4,268,650	6,278,650
1995	2,160,000	4,120,413	6,280,413
1996-2009	53,710,000	34,214,838	87,924,838
Total	63,125,000	56,201,926	119,326,926

The Alabama Housing Finance Authority issues bonds that are limited obligations of the Authority, and are not a debt or liability of the State of Alabama or any subdivision thereof. Each bond issue is secured, as described in the applicable Trust Indenture, by all revenues, monies, investments, mortgage loans and other assets in the funds and accounts of the program. Substantially all of the Authority's assets are pledged as security for the bonds. During 1990, the Housing Finance Authority called approximately $94.8 million of bonds in advance of their scheduled maturities. The loss of $1,116,000 on early retirement of these bonds is comprised of unamortized deferred debt financing costs of $1,092,000 and unamortized discount of $24,000. Interest on the various bond issues is payable periodically, except for capital appreciation bonds, on which interest is compounded and payable at maturity or upon redemption. Principal payments on bonds after 1990 are scheduled as follows.

ALABAMA HOUSING FINANCE AUTHORITY
Principal Requirements to Maturity
(Amounts in Thousands)

Maturity Date	Principal†
1991	18,612
1992	23,544
1993	25,055
1994	23,823
1995	24,703
1996-2022	1,820,982
Less: Unamortized Discount	(633,265)
Amount due within one year	(18,612)
Total	$1,284,842

† Interest payments are unavailable.

The Alabama Judicial Building Authority issues bonds for the purpose of funding the acquisition and construction of judicial facilities. Certain property is pledged as security and certain revenues are pledged for the payment of interest on the bonds.

ALABAMA JUDICIAL BUILDING AUTHORITY
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
1991	-	1,810,246	1,810,246
1992	-	1,670,988	1,670,988
1993	-	1,670,988	1,670,988
1994	1,230,000	1,632,550	2,862,550
1995	2,555,000	1,512,991	4,067,991
1996-2014	36,213,557	42,372,726	78,586,283
Total	39,998,557	50,670,489	90,669,046

The Alabama Building Renovation Finance Authority issues bonds to provide funding for the renovation and reconstruction, operation and maintenance of public office buildings and the state capitol. The bonds are payable from rents received by the authority under lease agreements.

ALABAMA BUILDING RENOVATION FINANCE AUTHORITY
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
1991	-	2,117,128	2,117,128
1992	-	2,117,128	2,117,128
1993	800,000	2,117,128	2,917,128
1994	850,000	2,067,528	2,917,528
1995	905,000	2,013,978	2,918,978
1996-2011	26,945,000	21,394,808	48,339,808
Total	29,500,000	31,827,698	61,327,698

The Alabama Building Finance Authority issued bonds for the renovation of the Alabama State House, formerly the State Highway Building. Revenue from rentals and other revenue derived from the building are pledged for the payment of such bonds. The following schedule details the annual funding requirements necessary to amortize bonds issued by the authority.

ALABAMA BUILDING FINANCE AUTHORITY
Debt Service Requirements to Maturity

Maturity	Principal	Interest	Total
1991	226,000	9,040	235,040

Revenue Bonds Revenue bonds are backed by the pledge of resources derived from the users of acquired or constructed assets and are not supported by the full faith and credit of the State. The schedules below present the outstanding revenue bonds at September 30, 1990 including accrued interest on capital appreciation bonds.

The Alabama State Docks (ASD) has issued the following revenue bonds. The Docks Facilities Revenue Refunding Bonds, Series 1988 mature from October 1, 1989 through October 1, 2012. The bonds are secured by all the gross revenues of ASD derived from charges made by ASD for all services provided. The pledge of the Docks Facilities revenues for the payment of the Series 1988 Bonds is subject to the prior pledge of a portion of such Docks Facilities revenues to the payment on the Series 1985 Bonds. The Coal Revenue Refunding Bonds mature from October 1, 1986 through October 1, 2005. The bonds are secured by revenues derived from ownership and operation of the coal handling facilities.

ALABAMA STATE DOCKS
Debt Service Requirements to Maturity
(Amounts in Thousands)

Maturity	Principal	Interest	Total
1991	3,360	8,114	11,474
1992	3,660	7,812	11,472
1993	4,000	7,473	11,473
1994	4,380	7,093	11,473
1995-2012	103,262	103,123	206,385
Total	118,662	133,615	252,277
Less:			
Unamortized Discount	(1,440)		
Amount due within 1 year	(3,360)		
Total	113,862		

The Tennessee Valley Exhibit Commission has issued bonds for the purpose of funding the Tennessee Valley Exhibit Center. These revenue bonds are not backed by the full faith and credit of the State. The principal and interest requirements on these bonds are payable from the revenue of the commission and from the in lieu of taxes payments made to the State by the Tennessee Valley Authority, only if the revenues are insufficient to pay the bond obligations.

TENNESSEE VALLEY EXHIBIT COMMISSION
Debt Service Requirement to Maturity

Maturity	Principal	Interest	Total
1991	130,000	366,143	496,143
1992	135,000	357,305	492,305
1993	150,000	348,083	498,083
1994	160,000	337,803	497,803
1995	170,000	326,805	496,805
1996-2010	4,085,000	2,711,020	6,796,020
Total	4,830,000	4,447,159	9,277,159

The Alabama Water Pollution Control Authority issued bonds to provide funds for the purpose of making loans to certain local government units to construct sewage treatment and related facilities. The loan agreements specify the sources of funds for repayment of the loans to the revolving fund for the payment of the bonds. The following schedule details the annual funding requirements necessary to amortize the bonds issued by the authority.

ALABAMA WATER POLLUTION CONTROL AUTHORITY
Debt Service Requirements to Maturity
(Amounts in Thousands)

Maturity	Principal	Interest	Total
1991	405	2,349	2,754
1992	1,090	2,325	3,415
1993	1,150	2,258	3,408
1994	1,225	2,184	3,409
1995	1,275	2,104	3,379
1996-2011	30,570	18,314	48,884
Total	35,715	29,534	65,249

Advance Refunded Bonds Advance refunding bonds are bonds that are issued to retire an existing bond issue or portion of an issue. A portion of the proceeds from the sale of the refunding bonds is deposited with an escrow agent according to an escrow trust agreement and invested by the escrow agent in certain U.S. Treasury obligations in such amounts with certain maturities to provide sufficient funds to pay the remaining maturing principal and interest on the refunded bonds as they become due. The refunded bond debt is considered to be retired for financial reporting purposes, even though the debt is still legally outstanding and the issuer of the bonds has not been released from the debt obligations. The U.S. Treasury obligations constitute a trust fund to be held by the escrow agent for the benefit of the holders of the refunded bonds.

Defeased Bonds

At September 30, 1990 the following bonds are considered defeased:

General Long-Term Debt:	Principal
1982 General Obligation Bonds	
Series A	$187,260,000
Series B	176,965,000
1970 Alabama Highway Authority Highway Bridge Bonds	27,300,000
1984 Alabama Highway Authority Series 3 (Portion Refunded)	39,165,000
Alabama Public School and College Authority	
Series S & T	66,650,000
Series K-Q	111,450,000
1983 General Obligation Bonds	
Series A	63,040,000
Series B	38,505,000

Proprietary Fund Debt:	
Alabama State Docks--Seaport Facility Revenue Bonds	
Series 1972 and 1978	16,710,000
Alabama State Docks--Coal Revenue Refunding Bonds	
Series 1985	84,825,000

5 BEGINNING FUND BALANCE ADJUSTMENTS

A. Fund Reclassifications

During the 1990 fiscal year one fund was reclassified across fund types, from a special revenue fund to an agency fund, causing a decrease of $3,525 in fund equity for Special Revenue Funds. The Unemployment Compensation Trust Fund is included in these statements for the first time, resulting in an increase in beginning Expendable Trust Fund equity of 617,063. In an effort to provide the statement user with more useable information, the debt service activity of the Corrections Institution Finance Authority has been presented as a separate column rather than in "Other Debt Service Funds. The State Insurance Fund and the General Liability Trust Fund are presented in the combining statements as one column entitled "Risk Management", whereas in 1989 they were two distinct columns. The beginning fund balance in all of these cases has been restated as if the previous year's statements had followed a classification scheme consistent with this year's statements.

B. Fund Equity Restatements

Fund balances as of October 1, 1989 have been restated for certain accounting changes necessary to conform to generally accepted accounting principles. These changes include correction of an error made in the prior year when salaries payable were accrued in governmental funds, investment balances previously overstated, recognition of assets not previously reported, and inclusion of entities not reported last year. These changes are summarized in the table below. One item not shown in the table is the reclassification of a building and the related capital lease from the General Fixed Asset Account Group (GFAAG) and the General Long-Term Debt Account group to the Service Division Internal Service Fund. The building and the capital lease, both recorded at $65.2 million, have no net effect on the equity of the Internal Service Fund. This reclassification caused a decrease of $65.2 million in the equity account, Investments in Fixed Assets, in the GFAAG.

Restatements of Beginning Fund Balance
(Amounts in Thousands)

	General Fund	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service	Expendable Trusts	Nonexpendable Trusts	Total
Balances as Previously Reported at September 30, 1989	31,777	269,728	11,210	314,674	360,302	63,113	376,630	951,633	2,379,067
Reclassification to Agency Fund	0	(3,525)	0	0	0	0	0	0	(3,525)
Funds Not Previously Reported	0	0	0	0	0	0	617,063	0	617,063
September 30, 1989 Balance After Reclassification and Additions	31,777	266,203	11,210	314,674	360,302	63,113	993,693	951,633	2,992,605
Prior Year Adjustments and Restatements for:									
Salaries Payable Accrual	7,768	32,996	0	3	10	0	111	0	40,888
Investment Balances Misstated	0	(15,245)	(8)	(38,735)	312	0	2,608	4,293	(46,775)
Fixed Assets Not Previously Reported	0	0	0	0	680	30,558	0	0	31,238
Prior Year Warrants Payable Not Previously Reported	(1,739)	0	0	0	0	0	0	0	(1,739)
Other Adjustments	0	(6,182)	0	0	(641)	(821)	0	0	(7,644)
Balances as Restated at September 30, 1989	37,806	277,772	11,202	275,942	360,663	92,850	996,412	955,926	3,008,573

6 INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transfers are reported as operating transfers.

A. Operating Transfers

The Alabama Legislature has established through the appropriation process a practice of funding various state departments through transfers of cash from the State's Budgetary General Fund and Alabama Special Educational Trust Fund. The Schedule of Operating Transfers Out on the following page identifies the programmatic areas in which the transfers of cash are ultimately expended. The total operating transfers to State agencies in 1990 were $480 million from the Budgetary General Fund. Total operating transfers from the ASETF to State agencies were $72.6 million and $685.7 million to higher education institutions.

The Alabama Legislature made the following operating transfers of $10,000,000 (Act 80-90), $8,260,000 (Act 84-313), and $25,000,000 (Act 86-645 and Act 87-810). These operating transfers were made from the State Insurance Fund to the Budgetary General Fund. The acts provide for the funds to be transferred back to the State Insurance Fund at the determination of the State Finance Director and the Governor.

SCHEDULE OF OPERATING TRANSFERS OUT
General Fund and Special Educational Trust Fund
(Amounts in Thousands)

	General Fund	ASETF
TRANSFERS TO STATE AGENCIES		
Programmatic Areas:		
Economic Development	$ 14,578	$ -
Educational & Cultural	1,664	6,520
Natural Resources & Recreation	1,943	-
Health - Physical & Mental	189,542	16,220
Social Services	25,361	1,509
Protection of Persons & Property	145,767	1,877
Transportation	72	-
General Government	15,394	5,326
Capital Projects	7,290	1,664
Debt Service	66,643	1,300
Proprietary Funds	4,953	7,000
Non-Programmatic Expenditures	6,760	2,151
Transfer to ASETF Proration Prevention	-	29,000
Total Transfers To State Agencies	**479,967**	**72,567**
TRANSFERS TO HIGHER EDUCATION INSTITUTIONS		
Postsecondary - Alabama College System	-	145,914
University of Alabama	-	96,247
University of Alabama - Birmingham	-	115,759
University of Alabama - Huntsville	-	23,869
Alabama A&M University	-	18,296
Alabama State University	-	18,037
Auburn University	-	134,360
Jacksonville State University	-	19,503
Livingston State University	-	6,294
University of Montevallo	-	10,475
University of North Alabama	-	14,522
University of South Alabama	-	47,562
Troy State University	-	19,454
Alabama Institute for the Deaf & Blind	-	15,443
Total Transfers to Higher Education	**0**	**685,735**
Total Operating Transfers Out	**$ 479,967**	**$ 758,302**

B. Residual Equity Transfers

Residual equity transfers are nonroutine transfers of equity between funds. This generally involves either the contribution of capital to a proprietary fund from a governmental fund, or the discontinuation of a fund and the transfer of the remaining balance to the general fund. Both of these equity transfers occurred during fiscal year 1990 and are summarized in the table below:

	General Fund	ASETF	Public Road and Bridge Internal Service	Total Transfers Out
Transfers Out:				
(amounts in thousands)				
Public Health	-	724	-	724
Highway	-	-	18,638	18,638
Other Special Revenue Fund	1,002	31	-	1,033
Debt Service	17	-	-	17
Total Transfers In	**1,019**	**755**	**18,638**	**20,412**

The closing of certain inactive funds resulted in transfers of $32,000 and $31,000 respectively, to the General Fund and ASETF during the 1990 fiscal year. At year-end, as a part of the conversion to the new accounting system in preparation for fiscal year 1991, certain funds were consolidated with the General Fund and ASETF. This resulted in the closing of a Public Health fund to the ASETF. A number of Special Revenue Funds totalling $987,000 were closed to the General Fund, along with $17,000 in general obligation debt service funds. The creation of a new Internal Service Fund for the Highway Department created a transfer of equity of $18,638,000 which is recorded as Contributed Capital in the new Internal Service Fund.

7 RISK MANAGEMENT

The State manages its risk through risk control and risk financing to minimize the adverse effects of certain types of losses. Risk financing includes self-insurance through several different funds. The State Insurance Fund is a public entity risk pool providing coverage for state buildings and contents against fire and casualty losses. The General Liability Trust Fund is a risk pool which insures state employees against the risk of loss from employment-related liability claims. The State Employees' Insurance Fund provides health insurance coverage for state employees. The Public Education Employees' Health Insurance Fund provides health coverage for employees of school systems and junior colleges. Risk financing by these funds involves self-insurance, transfer of risk to an insurer, or both.

Alabama State Docks is partially self-insured with respect to workmen's compensation claims. Through an arrangement with an insurance company, individual claims incurred prior to September 30, 1986 of less than $250,000 up to an aggregate of $1,000,000 and any individual claims in excess of $3,000,000 are self-insured. Claims incurred subsequent to September 30, 1986 are self-insured to the extent of claims less than $250,000 with no aggregate limit with respect to the number of such claims. Additionally, any individual claims in excess of $5,000,000 are self-insured.

8 RETIREMENT PLANS

A. The Retirement Systems of Alabama

Retirement Systems of Alabama administers three retirement programs for the benefit of state employees.

1. Plan Descriptions

Teachers' Retirement System of Alabama (TRS) is a cost-sharing multiple-employer public employee retirement system. The system provides retirement allowances and other specified benefits for qualified persons employed by state-supported educational institutions. The Board of Control has responsibility for the general administration and operation of the TRS.

The Employees' Retirement System of Alabama (ERS) is an agent multiple-employer public employee retirement system. This system provides retirement allowances and other specified benefits for state employees, state police and employees of other jurisdictions on an elective basis. The Board of Control is responsible for general administration and operations of ERS.

The Judicial Retirement Fund (JRF) is a cost-sharing multiple employer public employee retirement system. This system provides retirement allowances and other specified benefits for any Justice of the Supreme Court of Alabama, Judge of the Court of Civil Appeals, Judge of the Court of Criminal Appeals, Judge of the Circuit Court, or office holder of any newly created judicial office receiving compensation from the State Treasury. The Board of Control of the ERS administers and operates the JRF.

Current membership in each of the three systems is as follows:

	TRS	ERS	JRF
Current employees:			
Vested:			
General	50,923	13,683	131
State Policemen	-	469	-
Employees of Local Employers	-	10,094	-
Nonvested:			
General	54,601	18,142	146
State Policemen	-	313	-
Employees of Local Employers	-	18,719	-
Retirees and beneficiaries currently receiving benefits:	25,590	15,668	185

The TRS, ERS and JRF provide retirement benefits as well as death and disability benefits. Benefits for TRS and ERS members vest after 10 years of credited service. Teachers and state employees who retire after age 60 (52 for state police) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life. Service retirement benefits are calculated by three methods with the members receiving payment under the method which yields the highest monthly benefit: (1) minimum guaranteed, (2) money purchase, or (3) formula. Under the formula method, members of TRS and ERS are allowed 2.0125 percent of their final average salary (best 3 of the last 10 years) for each year of service. Disability retirement benefits are calculated in the same manner except that a reduction factor is computed based upon 1/4 of 1 percent for each month the member is less than age 60 or each month of service less than 25 years for a maximum of 25 percent. In each case, the member receives the highest of the three calculations.

The formula used to calculate benefits for State Police members differs from that used for TRS members and regular employee members of ERS. State Police are allowed 2.875 percent for each year of state police service in computing the formula method. Disability benefits are calculated under the same methods used for service retirements except the member's benefit is reduced by 25 percent under the formula method, and under the money purchase calculation the pension portion is reduced by 1/4 of 1 percent per month for each month the member is less than age 60 for a maximum reduction of 25 percent.

JRF benefits vest from five to eighteen years. Except for disability, no justice or judge shall be eligible to receive judicial service retirement pay prior to attaining sixty years of age. Service retirement benefits for justices and judges are dependent upon the particular office held in the specific judicial branch of government. A retirement benefit is payable upon the request of any member who has completed 12 years of credited service and has attained age 65, or who has completed 15 years of credited service and whose age plus service equals or exceeds 77, or who has completed at least 18 years of credited service or three full terms as a judge or justice, or who has completed 10 years of credited service and has attained age 70. However, a district or probate judge must attain age 60 in order to be eligible to retire. A member eligible to retire who has not requested his retirement benefit to commence at the end of the term in which his seventieth birthday occurs is entitled only to the refund of his contributions. The service retirement benefit for a member other than a district or probate judge is equal to 75 percent of the salary prescribed by law for the position from which the member retires. The service retirement benefit for a district judge is equal to 90 percent of the benefit payable to circuit judges on the date such judge retires. For a probate judge, the benefit is equal to 65 percent of his salary immediately prior to retirement.

Covered members of TRS and ERS are required by statute to contribute 5 percent of earnable compensation to the TRS and ERS. State police and JRF members are required to contribute 10 percent and 6 percent, respectively.

2. Preretirement Death Benefit

A preretirement death benefit account is credited with TRS and ERS employer contributions and investment income on such funds. The preretirement death benefit (in the form of group term life insurance) is paid in addition to the return of member contributions upon the death of an active TRS or ERS member who has completed at least one year of active membership in the system and whose date of death was within ninety days of such member's last date of actual service. However, a surviving spouse beneficiary may elect a survivor allowance in lieu of this benefit. The preretirement death benefit is equal to the annual earnable compensation of the member as reported to the system for the preceding year ending June 30 for TRS and September 30 for ERS.

3. Withdrawal Due to Termination

When a member withdraws from service through resignation, the member's accumulated contributions and a portion of accumulated interest credited to the account is returned to the member.

4. Funding Status and Progress

The law provides that the Boards of Control engage an actuary to prepare an annual valuation of the assets and liabilities of the various reserves. The actuary has computed, as of the date of the latest available actuarial valuation, the pension benefit obligation. The amount shown below as pension benefit obligation is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help users assess TRS, ERS and JRF funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among Public Employee Retirement Systems (PERS). The measure is independent of the actuarial funding method used to determine contributions to the TRS, ERS, and JRF discussed below.

The pension benefit obligation was determined as part of the latest available actuarial valuation, as of June 30, 1989 for TRS, as of September 30, 1989 for ERS, and as of September 30, 1989 for JRF. Significant actuarial assumptions used in determining the pension benefit obligation include the following. The rate of return on the investment of present and future assets is assumed to be 8 1/4 percent per year compounded annually for all three systems. Projected salary increases are assumed to be 8 percent at age 20 to 5.75 percent at age 65 for TRS, 8.41 percent at age 20 to 5.8 percent at age 65 for ERS, and 5 percent for JRF, compounded annually, attributable to inflation. It is also assumed that benefits will not increase after retirement. The funding period is assumed to be 40 years for TRS, 30 years for ERS, and 20 years for JRF. Assumptions about future withdrawal, retirement and death rates have been based on TRS' experience for TRS, ERS' experience for ERS, and actuaries' experience with similar funds for JRF.

Retirement Systems Pension Benefit Obligation
(Amounts in Thousands)

	TRS	ERS	JRF
Date of Latest Actuarial Valuation	6/30/89	9/30/89	9/30/89
Pension Benefit Obligation:			
Retirees and beneficiaries currently receiving benefits	$ 1,665,316	$ 779,250	$ 53,412
Current employees			
Accumulated employee contributions including allocated investment income	1,044,235	502,927	7,947
Employer-financed vested	844,187	380,015	15,881
Employer-financed nonvested	1,686,043	724,622	15,480
Total Pension Benefit Obligation	**5,239,781**	**2,386,814**	**92,720**
Net assets available for benefits, at amortized cost or book value, (market value is $5,613,219 for TRS, $2,536,374 for ERS, and $80,964 for JRF)	5,303,922	2,465,154	78,954
Assets in Excess of (Unfunded) Pension Benefit Obligation	**$ 64,141**	**$ 78,340**	**$ (13,766)**

During the year ended September 30, 1990, TRS experienced a net increase of $638,544 in the pension benefit obligation. ERS experienced a net increase of $239,088 in the pension benefit obligation, while JRF experienced a net increase of $9,069 in the pension benefit obligation.

5. Contributions Required and Contributions Made

The actuary has computed, as of the date of latest available actuarial valuation, the estimated present value of benefits payable to retired members, beneficiaries, and active members. The actuarial valuations are prepared on a projected benefit basis, under which the present value, at the interest rate assumed to be earned in the future, of each member's expected benefit payable at retirement or death is determined, based on the member's age, service, sex and compensation. Future salary increases are also anticipated. The present value of the expected benefits payable on account of the active members is added to the present value of the expected future payments to retired members and beneficiaries to obtain the present value of all expected benefits payable from each system on account of the present group of members and beneficiaries.

TRS, ERS, and JRF funding policies provide for employer contributions at actuarial determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits when due. The employer contributions required to support the benefits of each system are determined following a level funding approach, and consist of a normal contribution and an accrued liability contribution.

For TRS and ERS, the normal contribution is determined using the entry age normal method. Under this method, a calculation is made to determine the uniform and constant percentage rate of employer contribution which, if applied to the compensation of the average new member during the entire period of the member's anticipated covered service, would be required in addition to the contributions of the member to meet the cost of all benefits payable.

For JRF, the normal contribution is determined using the projected accrued benefit (unit-credit) method. Under this method, the benefits of each individual included in an actuarial valuation are allocated by a consistent formula to valuation years. The actuarial gains (losses), as they occur, generally reduce (increase) the unfunded actuarial accrued liability.

The accrued liability contribution is expected to liquidate the accrued liability within each system's funding period (a closed 40-year period for TRS, a 30-year period for ERS, and a 20-year period for JRF).

Contributions were made in accordance with actuarial determined contribution requirements determined through an actuarial valuation performed at September 30, 1989 (June 30, 1989 for TRS). These contributions were comprised as follows:

Contributions Made
(Amounts in Thousands)

	TRS	ERS	JRF
Employer	$188,843	88,000	6,524
Employee	125,287	66,036	1,033
Total contributions	314,130	154,036	7,557
Normal Cost	$291,535	124,491	4,419
Amortization of the unfunded actuarial accrued liability	22,595	29,545	3,138
Total contributions	$314,130	154,036	7,557
Covered payroll	$2,317,045	1,236,242	15,238
Total contributions as a percentage of covered payroll	14%	12%	50%

Significant actuarial assumptions used to compute contribution requirements are the same as those used to compute the standardized measure of the pension obligation.

6. Trend Information:

The following two year comparison of the ten-year historical trend information, prepared in accordance with Governmental Accounting Standards Board Statement No. 5, provides information on progress made in accumulating sufficient assets to pay benefits when due. The purpose of the table is to establish a consistent method for analyzing and making comparisons among different public retirement systems.

Teachers' Retirement System
(Amounts in Millions)

Date of Latest Actuarial Valuation	6/30/89	6/30/88
Pension Benefit Obligation	$5,240	$4,601
Net assets available for benefits, at cost	5,304	4,716
Assets in Excess of (Unfunded) Pension Benefit Obligation	$ 64	$ 115
Percentage Funded	101.2%	102.5%
Annual Covered Payroll	$2,317	$2,061
Assets in Excess of (Unfunded) Pension Benefit Obligation as a % of Covered Payroll	2.8%	5.6%

Employees' Retirement System
(Amounts in Millions)

Date of Latest Actuarial Valuation	9/30/89	9/30/88
Pension Benefit Obligation	$2,387	$2,148
Net assets available for benefits, at cost	2,465	2,196
Assets in Excess of (Unfunded) Pension Benefit Obligation	$ 78	$ 48
Percentage Funded	103.3%	102.2%
Annual Covered Payroll	$1,236	$1,108
Assets in Excess of (Unfunded) Pension Benefit Obligation as a % of Covered Payroll	6.3%	4.4%

Judicial Retirement Fund
(Amounts in Millions)

Date of Latest Actuarial Valuation	9/30/89	9/30/88
Pension Benefit Obligation	$ 93	$ 83
Net assets available for benefits, at cost	79	69
Assets in Excess of (Unfunded) Pension Benefit Obligation	$ (14)	$ (14)
Percentage Funded	85.2%	82.8%
Annual Covered Payroll	$ 15	$ 15
Assets in Excess of (Unfunded) Pension Benefit Obligation as a % of Covered Payroll	(90.3%)	(92.2%)

B. The Alabama State Docks

The State Docks (an Enterprise Fund) administers two retirement plans for the benefit of the employees of the Alabama State Docks. All of the salaried employees of the State Docks participate in the Employees' Retirement System discussed in part (A).

1. Plan Description

The Alabama State Docks administers a single-employer, noncontributory defined benefit pension plan, the Hourly Paid Alabama State Docks Department Workers Retirement Plan (Hourly Plan). All of the State Docks' hourly employees, other than employees of the Terminal Railway, who are at least 21 years of age and have completed one year of service participate in the Hourly Plan.

The Alabama State Docks administers a single-employer, non-contributory defined benefit pension plan, the Terminal Railway Alabama State Docks Department Workers Supplemental Retirement Plan (Railway Plan). All of the State Docks' Terminal Railway employees who work at least one day per month for at least seven months participate in the Railway Plan.

Current membership in the two plans is as follows:

	Hourly Plan	Railway Plan
Current employees:		
Vested	60	3
Nonvested	144	107
Terminated employees		
Vested	57	0
Retirees and beneficiaries currently receiving benefits	93	59

Hourly Plan employees becoming eligible for Social Security and having completed 15 years of service are entitled to annual benefits of $200 to $450 a month depending upon length of service. Active employees who become disabled after completion of 15 years of service and are eligible for Social Security benefits receive disability benefits which are calculated under the same methods used for normal service retirement benefits. If an employee with at least 20 years of service leaves before the employee's normal retirement date, the employee will be entitled to a monthly benefit deferred to the date on which they become eligible for Social Security determined in accordance with the normal service retirement benefits.

Terminal Railway employees attaining the age of 62 and completion of 10 years of service or age 60 and completion of 30 years of service are entitled to benefits of $50 to $157.50 a month, depending upon length of service. Active employees who become disabled after completion of 10 years of service and if eligible for disability benefits under the Railroad Retirement Act receive disability benefits which are calculated under the same methods used for normal service retirement benefits. If an employee leaves before meeting one of the above retirement criteria, the employee is not entitled to any benefits.

2. Funding Status and Progress

The pension benefit obligation of the Hourly Plan was computed as part of an actuarial valuation performed as of January 1, 1990. Significant actuarial assumptions used in the valuation include a rate of return on the investment of present and future assets of 8.0 percent a year compounded annually. The unfunded pension benefit obligation of the Hourly Plan at January 1, 1990 (date of latest actuarial valuation available) was as follows:

Hourly Plan Pension Benefit Obligation

Pension Benefit Obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$3,431,510
Current employees:	
Employer-financed vested	1,175,671
Employer-financed nonvested	238,694
Total pension benefit obligation	**4,845,875**
Net assets available for benefits (at market)	1,822,487
Unfunded pension benefit obligation	**$3,023,388**

The pension benefit obligation of the Railway Plan was computed as part of an actuarial valuation performed as of January 1, 1990. Significant actuarial assumptions used in the valuation include a rate of return on the investment of present and future assets of 8.0 percent a year compounded annually. No significant changes in the pension benefit obligation resulting from any change in actuarial assumption or benefit provisions occurred between the actuarial valuation performed as of January 1, 1989 and January 1, 1990. The unfunded pension benefit obligation of the Railway Plan at January 1, 1990 (date of latest actuarial valuation available) was as follows:

Railway Plan Pension Benefit Obligation

Pension Benefit Obligation:	
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	$ 709,168
Current employees:	
Employer-financed vested	47,269
Employer-financed nonvested	416,626
Total pension benefit obligation	**1,173,063**
Net assets available for benefits (at market)	182,719
Unfunded pension benefit obligation	**$ 990,344**

3. Contributions Required and Contributions Made

The actuarial determined contributions to the Hourly Plan during fiscal 1990 were $354,814 which represented 7 percent of the payroll for employees covered by the Hourly Plan. State Docks' funding policy provides for actuarial determined annual contributions which include the normal cost and the amortization of the unfunded actuarial accrued liability as of January 1, 1984 over 40 years. The significant actuarial assumptions used to compute the actuarial determined contributions are the same as those used to compute the pension benefit obligation described above. No significant changes occurred in actuarial assumptions, actuarial funding methods and benefit provisions between the actuarial valuations performed as of January 1, 1988 and 1989. Until 1984, State Docks funded the benefits on a pay-as-you-go basis which resulted in the accrued benefit obligation being recorded in the State Docks' financial statements. The accrued benefits obligation related to the Hourly Plan was $3,082,372 at September 30, 1990.

State Dock's contributions to the Railway Plan during fiscal 1990 were $108,889 which represented 3.1 percent of the payroll for employees covered by the Railway Plan. The funding policy provides for actuarial determined annual contributions which include the normal cost and the amortization of the unfunded actuarial accrued liability as of January 1, 1984 over 40 years. The significant actuarial assumptions used to compute the actuarial determined contributions are the same as those used to compute the pension benefit obligation described above. No significant changes occurred in actuarial assumptions, actuarial funding methods and benefit provisions between the actuarial valuations performed as of January 1, 1989 and 1990. Until 1984, State Docks funded the benefits on a pay-as-you-go basis which resulted in an accrued benefit obligation being recorded in the State Docks' financial statements. The accrued benefit obligation related to the Railway Plan was $585,357 at September 30, 1990.

4. Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. As of January 1, 1990, 1989, and 1988, available net assets were sufficient to fund 37.6 percent, 28.4 percent and 24.8 percent, respectively, of the pension benefit obligation of the Hourly Plan. The unfunded pension benefit obligation represented 54.2 percent, 69.2 percent and 41.1 percent, respectively, of the annual payroll for employees covered by the Hourly Plan for the years ended December 31, 1989, 1988 and 1987. For the years ended December 31, 1989, 1988 and 1987, the State Dock's contributions to the Hourly Plan, made in accordance with actuarial determined requirements, were 6.1 percent, 6.3 percent, and 4.8 percent, respectively, of annual covered payroll.

As of January 1, 1990, 1989, and 1988, available net assets were sufficient to fund 15.6 percent, 12.2 percent, and 9.6 percent, respectively, of the pension benefit obligation. The unfunded pension benefit obligation represented 28.1 percent, 31.0 percent, and 29.6 percent, respectively, of the annual payroll for employees covered by the Railway Plan for the years ended December 31, 1989, 1988, and 1987. For the years ended December 31 1989, 1988, and 1987, the State Dock's contributions to the Railway Plan, made in accordance with actuarial determined requirements, was 3.0 percent, 3.0 percent and 2.7 percent, respectively, of annual covered payroll.

9 DEFERRED COMPENSATION

The State offers its employees the opportunity to participate in two optional deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all state employees, permit them to defer a portion of their salary until future years. Employees may withdraw the current value of their contributions upon termination, retirement, death or an unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the state subject only to the claims of the state's general creditors. Participants' rights under the plans are equal to those of a general creditor of the state in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the state's legal counsel that the state has no liability for losses under these plans but does have the duty of due care that would be required of an ordinary prudent investor. It is unlikely that the state would ever use plan assets to satisfy claims of the state's general creditors. One of the plans, the Public Employees' Individual Retirement Account Fund/Deferred Compensation Plan is administered and operated by the Public Employees' Individual Retirement Account Fund (PEIRAF) Board of Control. All members of the Teachers' Retirement System of Alabama, Employees' Retirement System of Alabama, Judicial Retirement Fund, and employees of employers eligible to participate in the Employees' Retirement System are eligible to participate. At September 30, 1990, plan assets totalled $46,233,692. Of this amount, $12,615,443 was applicable to the State, while the remaining $33,618,249 represents the assets of other jurisdictions participating in the plan.

A second deferred compensation plan is administered and operated by the Public Employees Benefit Services Corporation. Total plan assets as of September 30, 1990 were, $55,352,665.

10 POST-EMPLOYMENT HEALTH CARE BENEFITS

In addition to providing pension benefits, the State provides certain health care benefits for retired employees of state educational institutions through the Public Education Employees' Health Insurance Fund (PEEHIF) and retired state employees through State Employees' Insurance Board (SEIB). The cost of retiree health care benefits is recognized as an expenditure to PEEHIF as claims are paid. The cost of the benefits is funded by an appropriation from the ASETF in the amount of $24,299,000 for 1990 and $238,000 paid by participating retirees.

The State provides health care benefits for retired state employees through the State Employees' Insurance Board (SEIB). The cost of benefits is recognized as an expense in the month in which it is incurred. The State pays 100 percent of the premium for a retiree who is over 65 and eligible for Medicare for a total cost to the State in 1990 of $6,737,544. The state pays a portion of the premium for a retiree who is under 65 at a total cost to the State in 1990 of $2,492,880. Insurance coverage is also available to state employees who terminate state service, but the liability for premiums is the employee's.

11 CONTINGENT LIABILITIES

A. Grants

The state receives federal grants for specific purposes that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the state but cannot be reasonably estimated at this time. It is believed that any liability resulting from a determination of noncompliance will not have a material, adverse effect on the state's financial condition.

B. Litigation

The state is named as a party in legal proceedings that occur in the normal course of governmental operations, some involving significant amounts. It is not possible at the present time to estimate the ultimate outcome or liability, if any, of the state with respect to the various proceedings. The Attorney General's Office has reviewed the status of pending lawsuits and reports that an adverse decision in any of the following cases may have an effect on the State's financial position.

1. Mental Health Litigation

On April 13, 1972, the United States District Court of the Middle District of Alabama issued two orders in Civil Action No. 3139-N, defining what the court determined to be minimum constitutional standards for Alabama's mental health facilities. As a consequence, the District Court stated that a receiver would be appointed to operate the entire State mental health system. By an order dated January 15, 1980, the District Court appointed the Governor as temporary receiver of the entire mental health system for a period of not less than one year and required the Governor to execute and implement the plan of compliance. Substantial progress has been made in implementing the plan of compliance. As a result of the progress made by the State toward improvement of its mental health facilities, the United States District Court issued a consent decree on September 22, 1986, which had the effect of abolishing the receivership of the system, terminating the Court's active supervision and returning control of the system to the Department of Mental Health and Mental Retardation.

In 1988, an action filed in the United States District Court alleges that the State is required, but has failed, to pay for psychiatric evaluation and treatment of pretrial detainees incarcerated in county facilities. Should the position asserted by the plaintiffs in the pending litigation or in any similar subsequent litigation prevail, the State may be required to incur substantial payments for these evaluation and treatment services.

In 1989, an action filed in the United States District Court for the Middle District of Alabama alleges that the State is required, but has failed, to provide medical treatment for individuals found not competent to stand trial. Should this position asserted by the plaintiffs in the pending litigation or in any similar subsequent litigation prevail, the State may be required to make substantial payments for the treatment and care of individuals found incompetent to stand trial.

2. Human Resources Litigation

The State is involved in litigation that alleges that the Department of Human Resources has failed to comply with minimum constitutional standards for the care and custody of emotionally disturbed children and children with behavioral disorders. Should the position asserted by the plaintiffs in the pending litigation or in any similar subsequent litigation prevail, the State may be required to incur substantial payments for the care and custody of these children.

3. Employment Discrimination Litigation

The State is involved in an action filed in January 1984, in which the plaintiffs have alleged that the defendants have engaged in illegal discriminatory hiring practices under Title VII of the Civil Rights Act of 1964, as amended. The practices complained of by the plaintiffs include the disqualification of job applicants on the basis of prior criminal convictions, arrest records and other personal background information. The District Court rendered a decision which enjoins the State from using arrest records in the consideration of job applications. The State has appealed that judgment. While the appeal was pending, a settlement of approximately $2.1 million was negotiated between the parties, contingent upon final approval of the District Court and funding by the State. An order approving the settlement agreement was issued on September 28, 1990.

In an action filed in 1985 the plaintiffs have alleged that the State has engaged in illegal discriminatory practices in the hiring and promoting of employees. It is not possible at the present time to estimate the ultimate outcome or liability, if any, of the State with respect to these proceedings.

4. Insurance Premium Tax Litigation

Several out of state insurance companies have consolidated their actions challenging the constitutionality of the State's premium tax laws and demanding a refund of premium taxes for the years 1977-1980. Plaintiffs' complaints allege that the State's premium tax laws, which impose a higher tax rate on out-of-state companies than on domestic companies, violate the constitutional principles of equal protection. During this litigation period, the plaintiffs have continued to make timely payments of all premium taxes due by State law, under protest. The State is not placing any premium tax revenues in escrow pending final determination of the case. In the fiscal year ended September 30, 1988, the Insurance Department collected approximately $199 million in premium tax revenues of which approximately $180 million was collected from foreign insurance companies. Complaints in the pending actions currently claim approximately $149 million in refunds due in the litigation. It is not possible to predict the exact amount of premium tax revenue that the State would lose should an adverse decision be rendered.

5. Federal Retiree Pension Tax Litigation

The State is involved in litigation in which the plaintiffs have alleged that State taxation of federal retirees at a higher rate than the taxation of non-federal retirees is unconstitutional under the United States Constitution. The Circuit Court ruled that the Alabama income tax provisions as applied to the retirement and survivor benefits of the plaintiff's class is violative of the constitutional doctrine of intergovernmental tax immunity and the Public Salary Tax Act of 1939. The Circuit Court ordered the State to make refunds to classes of pensioners which are estimated to be $18 to $20 million. A decision by the State whether to appeal is pending. If the plaintiffs ultimately prevail, the State may lose a source of revenue in subsequent years if new legislation conforming to the decision is not enacted.

6. Sales Tax Litigation

In an action filed in 1988 the plaintiffs have alleged that sales taxes are deductible from gross income for purposes of calculating the State income tax. The tax years of 1987, 1988 and 1989 are at issue and refunds of approximately $60 million are claimed by the plaintiffs. For tax years beginning in 1990, legislation has been enacted which provides that sales taxes are not deductible from gross income for State income tax purposes. On May 21, 1990, the Circuit Court held that sales taxes are deductible from gross income for purposes of the State income tax during the tax years at issue. The Circuit Court ordered the State to make payments to the plaintiff class and, in addition, ordered the State to pay attorneys' fees in the amount of 25 percent of the total refunds owed to the plaintiff class. The State has appealed this decision. Should the position asserted by the plaintiffs in the pending litigation or in any similar subsequent litigation ultimately prevail, the State may be required to make substantial refunds to the plaintiffs and possibly other persons.

7. Waste Disposal Tax Litigation

In two actions filed in 1990, in the United States District Court the plaintiffs alleged that under the Alabama Waste Disposal Tax Act, Act No. 90-326, state taxation imposed on the disposal of out-of-state waste in Alabama at a higher rate than the tax imposed on disposal of in-state waste is unconstitutional under both the United States and Alabama Constitutions. A third case also filed in 1990 seeks declaratory and injunctive relief from Section 9 of the Alabama Waste Disposal Tax Act. This Section places a limit upon the tonnage of waste which may be disposed of by a facility during any specified period. Should the position asserted by the plaintiffs in the pending litigation or in any similar subsequent litigation prevail, the State will be unable to collect the higher tax revenues imposed upon the disposal of out-of-state waste. The State has not collected any revenues from the Alabama Waste Disposal Tax Act to date, and thus the State is unable to estimate the potential lost revenues if the Act is held invalid.

8. School System Funding Litigation

In a case filed on May 3, 1990, in the Circuit Court of Montgomery County the plaintiffs have alleged that the State of Alabama's public school funding structure is unconstitutional under the United States Constitution and the Alabama State Constitution. The plaintiffs seek an injunction prohibiting the State of Alabama from implementing or maintaining any public school fund system perpetuating the current funding structure; a ruling requiring the State of Alabama to maintain a constitutional public school funding structure; and the payment of the plaintiffs' attorneys fees. Should the position asserted by the plaintiffs in the pending litigation or in any similar or subsequent litigation prevail, the State may be required to provide substantial increased public school system funding, or to restructure the existing public school funding structure. It is not possible to estimate the cost of increased funding or restructuring.

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General Fund

The General Fund accounts for all governmental resources except those that are required to be accounted for in another fund.

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - *Cash Basis*

General Fund

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

	1990	1989
REVENUES		
General Sales & Use Taxes	16,737	20,159
Property Taxes	43,172	40,623
Insurance Companies	113,640	107,926
Liquor Licenses	2,944	2,460
Liquor Taxes	40,745	40,321
Cigarette & Tobacco Taxes	24,203	24,498
Corporation Tax	79,006	59,425
Public Utilities	9,304	9,271
Tennessee Valley Authority	10,538	10,434
Leasing/Renting Personal Property Tax	21,472	19,899
Oil & Gas Production Taxes	33,874	36,068
Documentary Filing Tax	30,959	26,147
Inheritance Tax	15,861	11,441
Lodgings Tax	10,682	9,609
Hazardous Waste	11,818	4,834
Miscellaneous Taxes	15,898	12,090
Court Cost Taxes	1,922	1,898
Drivers License Fees	20,690	20,192
Motor Vehicle License	30,222	30,055
Court Cost Fees	18,514	18,120
Other Licenses	9,650	9,069
Court Cost Fines	11,035	10,908
Other Fines	50	72
Interest	51,943	56,406
Other Revenues	7,219	4,252
Total Revenues	**632,098**	**586,177**
EXPENDITURES		
Economic Development	7,470	7,252
Educational & Cultural	4,587	6,163
Natural Resources and Recreation	2,314	2,429
Health - Physical and Mental	28,047†	29,247†
Social Services	7,808	8,129
Protection of Persons and Property	81,312	77,302
General Government	133,515	137,728
Total Expenditures	**265,053**	**268,250**
Revenues Over (Under) Expenditures	**367,045**	**317,927**
OTHER FINANCING SOURCES (USES)		
ABC Profits	12,062	9,334
Heritage and Alabama Trust Fund Interest	99,306	106,177
Other Transfers In	5,188	10,269
Operating Transfers Out	(479,967)‡	(455,634)‡
Total Other Financing Sources (Uses)	**(363,411)**	**(329,854)**
Revenues and Other Sources Over (Under) Expenditures and Other Uses	**3,634**	**(11,927)**
Beginning Fund Balance, October 1	38,901	43,704
Ending Fund Balance, September 30	**42,535‡**	**31,777**

† In 1989, the Department of Mental Health and Retardation's share of the General Fund ($62,164) was reported as Health--Physical and Mental expenditures, rather than Operating Transfers Out. This transaction has been reclassified as an Operating Transfer Out; 1989 figures have been restated for comparability to 1990.

‡ The Balance Sheet shows an available cash balance of $41,784 (cash less warrants payable). As part of the conversion to a new accounting system at year-end, several adjustments were made after the close of the budgetary fiscal year. Cash was increased by $987 as a result of residual equity transfers to close certain funds into the General Fund. An additional $1,739 was added to warrants payable to properly reflect the General Fund's legal liability for warrants outstanding from prior fiscal years.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE BUDGET AND ACTUAL - *BUDGETARY BASIS*

General Fund

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES -				
Taxes:				
Insurance Company Taxes	120,825	120,825	113,640	(7,185)
Corporation Taxes	64,500	64,500	79,006	14,506
ABC Liquor Taxes	40,927	40,927	40,746	(181)
Property Taxes	40,000	40,000	43,177	3,177
Cigarette Tax	25,600	25,600	24,203	(1,397)
Oil & Gas Production Tax	35,200	35,200	33,874	(1,326)
Leasing/Renting Personal Property Tax	21,000	21,000	21,472	472
Sales Tax	17,000	17,000	16,740	(260)
Documentary Taxes	26,200	26,200	30,959	4,759
Other Taxes	63,320	63,320	76,012	12,692
Licenses, Fees, and Permits				
Motor Vehicle Licenses	30,500	30,500	30,222	(278)
Court Costs Fees	17,445	17,445	18,003	558
Other Licenses, Permits, and Fees	33,812	33,812	33,801	(11)
Fines and Forfeits	10,714	10,714	11,081	367
Interest - State Deposits	48,000	48,000	51,943	3,943
Federal Revenues	-	-	273	273
Other	4,887	4,887	6,946	2,059
Total Revenues	**599,930**	**599,930**	**632,098**	**32,168**
EXPENDITURES				
Economic Development	7,737	7,737	7,590	147
Educational & Cultural	3,934	4,952	4,941	11
Natural Resources & Recreation	2,164	2,369	2,369	-
Health - Physical & Mental	28,480	28,530	28,530	-
Social Services	6,989	7,782	7,662	120
Protection of Persons and Property	77,321	79,845	79,230	615
General Government	134,743	138,828	137,467	1,361
Total Expenditures	**261,368**	**270,043**	**267,789**	**2,254**
Revenues Over (Under) Expenditures	**338,562**	**329,887**	**364,309**	**34,422**
OTHER FINANCING SOURCES (USES)				
Interest - Alabama Trust Fund	45,000	45,000	44,914	(86)
Interest - Heritage Trust Fund	60,000	60,000	54,392	(5,608)
ABC Profits	12,116	12,116	12,062	(54)
Appropriated Transfers In From ASETF	1,900	1,900	1,514	(386)
Other Operating Transfers In	6,000	6,000	3,675	(2,325)
Appropriated Operating Transfers Out	(458,511)	(470,179)	(470,179)	-
Total Other Financing Sources (Uses)	**(333,495)**	**(345,163)**	**(353,622)**	**(8,459)**
Revenues and Other Sources Over (Under) Expenditures and Other Uses	**5,067**	**(15,276)**	**10,687**	**25,963**
Unreserved Fund Balance, Oct 1, 1989	18,694	18,694	18,694	-
Unreserved Fund Balance, Sept 30, 1990	**23,761**	**3,418**	**29,381**	**25,963**

BALANCE SHEET SCHEDULE
COMPARISON OF REPORTED BASIS AND BUDGETARY BASIS
Budgetary General Fund

September 30, 1990

(Amounts in Thousands)

	As Reported	Eliminations	Budgetary Basis
ASSETS			
Cash	55,259	13,475	41,784
Due From Other Governments	83	83	-
Due From Other Funds	10,688	10,688	-
Total Assets	**66,030**	**24,246**	**41,784**
LIABILITIES AND FUND EQUITY			
Liabilities			
Warrants Payable	13,475	13,475	-
Due To Other Governments	4	-	4
Due To Other Funds	235	-	235
Accounts Payable	9,606	-	9,606
Total Liabilities	**23,320**	**13,475**	**9,845**
Fund Equity			
Fund Balance:			
Reserved for Encumbrances	2,721	-	2,721
Unreserved Fund Balance	39,989	10,771	29,218
Total Fund Equity	**42,710**	**10,771**	**31,939**
Total Liabilities and Fund Equity	**66,030**	**24,246**	**41,784**

RECONCILIATION OF BUDGETARY FUND BALANCE TO REPORTED FUND BALANCE
Budgetary General Fund

September 30, 1990

(Amounts in Thousands)

Fund Balance, Budgetary Basis	**31,939**
Add (Deduct)	
Accrued Revenues:	
Taxes, Licenses, Profits Due From ABC Enterprise Fund	10,686
Miscellaneous Interfund Receivables	2
Due From Other Governments	83
Increase in Cash Balance for Unredeemed Warrants	13,475
Accrued Expenditures:	
Warrants Payable	(13,475)
Fund Balance, as reported on Combined Balance Sheet	**42,710**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Cash Basis
General Fund

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

REVENUES		
Corporation Taxes	79,006	
Documentary Taxes	30,959	
General Property Taxes and Property Tax Relief	43,172	
Gross Receipts Business Taxes	163,691	
Excise, Sales & Use Taxes	74,505	
Other Taxes	88,496	
Licenses, Permits, Fees	82,021	
Fines & Forfeits	11,085	
Interest	51,943	
Heritage & Alabama Trusts Interest Transfers In	99,305	
ABC Profits Transfers	8,343	
Other Revenues & Transfers In	16,126	
Total Revenues and Transfers In		**748,654**
Expenditures		
Administrative Office Of Courts	63,661	
Alabama Law Institute	366	
Archives And History	2,644	
Attorney General	679	
Auditor	845	
Board Of Adjustment	489	
Court Of Civil Appeals	1,211	
Court Of Criminal Appeals	1,884	
District Attorneys	13,592	
Education Department - Rehabilitation	2,136	
Ethics Commission	364	
Examiners Of Public Accounts	8,672	
Finance Dept Special Services (Capitol Renovation)	7,290	
Finance Department	9,956	
Finance - Election Expense	1,739	
Finance - Registration of Voters	1,893	
Finance - Feeding of Prisoners	3,720	
Finance - Court Costs Not Otherwise Provided For	1,308	
Finance - Misc Special Appropriations	1,562	
Foreign Trade Relations Commission	104	
Forensic Sciences	6,364	
Judicial Retirement - State Share	1,115	
Geological Survey	2,212	
Governor	4,415	
Industrial Relations	1,374	
Insurance	1,812	
Labor	305	
Legislative Council & Reference Services	1,665	
Legislative Fiscal Office	856	
Legislature	9,780	
Lieutenant Governor	533	
Military	4,023	
Oil & Gas Board	2,329	
Pardons And Paroles	9,650	
Public Health	29,333	
Public Safety	51,568	
Secretary Of State	1,654	
Securities Commission	573	
Soil & Water Conservation Commission	1,232	

Supreme Court	4,767	
Treasurer	2,225	
Veterans Affairs	4,504	
Youth Services	3,095	
Misc. Commissions, Boards, & Halls of Fame	2,740	
Non-State Entities	2,599	
Total Expenditures		**274,839**
Operating Transfers Out:		
Agriculture & Conservation Development Commission	2,150	
Agriculture & Industries	8,778	
Attorney General	6,181	
Commission On Aging	3,703	
Conservation & Natural Resources	1,541	
Corrections	123,431	
Criminal Justice Information Center	2,929	
Debt Service Funds	66,643	
Alabama Development Office	4,791	
Economic & Community Affairs	7,940	
Emergency Management Agency	1,337	
Environmental Management	7,295	
Finance	3,312	
Finance-Special Appropriation	2,400	
Forestry Commission	13,057	
Historical Commission	1,650	
Human Resources	21,058	
Medicaid Agency	122,014	
Mental Health & Retardation	62,164	
Military	3,084	
Tourism & Travel	1,567	
Other State Agencies	3,155	
Total Operating Transfers		**470,179**
TOTAL EXPENDITURES & TRANSFERS OUT		**745,019**
Revenues Over (Under) Expenditures & Transfers Out		**3,635**
Cash Balance, October 1, 1989		38,901
Fund Balance, September 30, 1990		**42,536†**
Less: Reserve for Encumbrances & Accounts Payable		11,762†
Unreserved Fund Balance, September 30, 1990		**30,774**

† The Balance Sheet shows an available cash balance of $41,784 (cash less warrants payable). As part of the conversion to a new accounting system at year-end, several adjustments were made after the close of the budgetary fiscal year. Cash was increased by $987 and obligations by $804 as a result of residual equity transfers to close certain funds into the General Fund. An additional $1,739 was added to warrants payable to properly reflect the General Fund's legal liability for warrants outstanding from prior fiscal years.

Special Revenue Funds

Special revenue funds account for specific revenue sources that are restricted to finance particular functions and activities of the State. The individual Special Revenue Funds of the State are combined on a functional basis according to the type of activity.

Alabama Special Educational Trust Fund (ASETF) accounts for the revenues and expenditures associated with public education.

Public Road and Bridge Fund accounts for the revenues and expenditures associated with highway construction, maintenance, and operations.

Medicaid Fund accounts for revenues and expenditures associated with the provision of nursing home care, hospital care, and physician services for those eligible for Medicaid benefits.

Human Resources Fund accounts for revenues and expenditures associated with the administration of programs to provide financial assistance, such as the Aid to Dependent Children program, and a broad range of social and protective services.

Public School Fund accounts for revenues and expenditures which are allocated to local boards of education for support of educational programs.

Education Department-Federal Programs accounts for federal monies received by the State to support educational programs for elementary and secondary education and rehabilitation and crippled children services.

Economic and Community Affairs Fund accounts for revenues and expenditures related to energy management, skills enhancement and employment opportunities, traffic control and accident prevention, and state and regional planning.

Corrections Fund accounts for revenues and expenditures associated with the administration of penal and correctional institutions and related activities in the State.

Mental Health Fund accounts for revenues and expenditures related to the provision and care of those who suffer from mental illness, mental retardation, and substance abuse.

Public Health Fund accounts for resources used in the promotion of general physical health. This includes the enforcement of laws relating to public health as well as programs providing preventive and treatment services to the public.

Revenues Allocated to Local Governments accounts for revenues from gasoline taxes, motor vehicle licenses, TVA payments, and other revenue sources which are shared with local governments.

Other Special Revenue Funds account for various resources used to provide a wide variety of services, the largest of which are:

Revenue Administrative administers the collection of almost all state taxes and licenses.

Industrial Relations administers the unemployment compensation and industrial safety and accident prevention programs.

Conservation is responsible for the management of the state's game and wildlife resources as well as the management of the state parks system.

Forestry is responsible for the management, protection and development of the state's forest resources.

Environmental Management protects the state's citizens from pollution of the water, land and air.

Agriculture inspects agricultural products to ensure compliance with state and federal standards.

Commission on Aging administers federal and state programs which provide services for the elderly.

Indigent Mothers and Babies Trust provides funds for the care of indigent mothers and their children.

Professional and Occupational Boards provide professional and occupational licensing and regulation.

ASETF Proration Prevention is a "rainy day" fund intended to prevent budgetary shortfalls in the Alabama Special Educational Trust Fund (ASETF).

Other Special Revenue Funds are aggregated for reporting purposes and account for various other revenues which must be used for specific purposes.

COMBINING BALANCE SHEET
Special Revenue Funds

September 30, 1990

(Amounts in Thousands)

	Special Educational Trust Fund	Public Road and Bridge Fund	Medicaid	Human Resources	Public School Fund
ASSETS					
Cash	57,057	109,414	21,238	20,378	14,820
Investments	-	-	-	-	-
Interest & Dividends Receivable	-	-	-	-	-
Accounts Receivable	-	2,303	-	2,286	-
Due From Other Funds	1,454	-	1,252	7,916	-
Due From Other Governments	-	12,961	-	3,491	-
Inventory	-	-	-	-	-
Food Stamps On Hand	-	-	-	60,218	-
TOTAL ASSETS	**58,511**	**124,678**	**22,490**	**94,289**	**14,820**
LIABILITIES AND FUND EQUITY					
Liabilities					
Warrants Payable	6,653	2,249	14,742	3,737	73
Accounts Payable	9,534	78,842	348	6,521	-
Due To Other Funds	740	360	3,115	4,783	-
Due To Other Governments	5,734	-	1	-	-
Salaries Payable	-	-	-	-	-
Food Stamps To Be Distributed	-	-	-	60,218	-
Contractor's Retainage Held In Custody	-	16,632	-	-	-
Deferred Revenue	-	966	-	-	-
Total Liabilities	**22,661**	**99,049**	**18,206**	**75,259**	**73**
Fund Equity					
Reserved For Encumbrances	314	10,365	348	1,720	-
Reserved For Inventory	-	-	-	-	-
Reserved For Specific Purposes	-	-	-	-	-
Unreserved, Undesignated	35,536	15,264	3,936	17,310	14,747
Unreserved, Designated	-	-	-	-	-
Total Fund Equity	**35,850**	**25,629**	**4,284**	**19,030**	**14,747**
TOTAL LIABILITIES AND FUND EQUITY	**58,511**	**124,678**	**22,490**	**94,289**	**14,820**

Education Department Federal Programs	Economic and Community Affairs	Corrections	Mental Health	Public Health	Revenues Allocated to Local Governments	Other Special Revenue Funds	Totals
20,878	5,332	11,766	16,416	13,953	19,377	116,986	427,615
-	16,830	-	16,690	-	-	45,713	79,233
-	118	-	-	-	-	-	118
-	-	20	-	-	-	1,047	5,656
-	1	343	2,486	-	169	2,666	16,287
-	14,558	5	5,807	-	-	2,181	39,003
-	-	4,179	2,906	-	-	554	7,639
-	-	-	-	-	-	-	60,218
20,878	**36,839**	**16,313**	**44,305**	**13,953**	**19,546**	**169,147**	**635,769**
1,826	1,353	627	13,358	1,443	1,576	6,806	54,443
11,701	978	4,441	56	3,342	-	16,243	132,006
791	117	-	-	-	-	6,074	15,980
3,747	-	-	-	-	17,970	48	27,500
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	60,218
-	-	-	-	-	-	-	16,632
-	13,955	-	-	-	-	546	15,467
18,065	**16,403**	**5,068**	**13,414**	**4,785**	**19,546**	**29,717**	**322,246**
2,813	345	3,900	9,271	1,926	-	11,495	42,497
-	-	4,179	2,906	-	-	554	7,639
-	6,830	-	300	-	-	807	17,937
-	3,261	3,166	18,414	7,242	-	96,209	215,085
-	-	-	-	-	-	30,365	30,365
2,813	20,436	11,245	30,891	9,168	-	139,430	313,523
20,878	**36,839**	**16,313**	**44,305**	**13,953**	**19,546**	**169,147**	**635,769**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Special Revenue Funds

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

	Special Educational Trust Fund	Public Road and Bridge Fund	Medicaid	Human Resources	Public School Fund
REVENUES					
Taxes	2,441,075	158,309	-	85,581	50,994
Licenses, Permits & Fees	364	112,946	-	-	-
Fines & Forfeits	-	-	1	-	-
Interest	-	-	640	423	1,401
Federal Grants & Reimbursement	-	322,105	602,125	146,704	-
Other Revenues	17,688	23,028	40,097	27,013	1,761
Total Revenues	**2,459,127**	**616,388**	**642,863**	**259,721**	**54,156**
EXPENDITURES					
Economic Development	-	-	-	-	-
Educational & Cultural	1,684,986	-	-	-	38,301
Natural Resources & Recreation	-	-	-	-	-
Health - Physical & Mental	-	-	833,682	-	-
Social Services	22,340	-	-	279,576	-
Protection Of Persons & Property	12,114	-	-	-	-
Transportation	-	599,141	-	-	-
General Government	8,148	-	-	-	-
Debt Service - Interest & Other Charge	-	-	-	-	-
Distributions To Local Governments	-	-	-	-	-
Total Expenditures	**1,727,588**	**599,141**	**833,682**	**279,576**	**38,301**
Revenues Over (Under) Expenditures	**731,539**	**17,247**	**(190,819)**	**(19,855)**	**15,855**
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	57,883	15,429	71,525	2,125	-
Appropriated Transfers In (Out):					
General Fund	-	72	122,014	21,058	-
Special Educational Trust Fund	(72,219)	-	-	-	533
Transfers To Higher Education	(685,735)	-	-	-	-
Operating Transfers Out	(348)	(28,545)	(34)	(2,825)	(1,641)
Total Other Financing Sources (Uses)	**(700,419)**	**(13,044)**	**193,505**	**20,358**	**(1,108)**
Revenues and Other Sources Over (Under) Expenditures & Other Uses	**31,120**	**4,203**	**2,686**	**503**	**14,747**
Fund Balance, October 1, 1989	1,972	48,231	1,090	12,348	-
Restatements (Note 5)	2,003	(8,167)	508	6,179	-
Residual Equity Transfers (Note 6B)	755	(18,638)	-	-	-
Fund Balance, September 30, 1990	**35,850**	**25,629**	**4,284**	**19,030**	**14,747**

Education Department Federal Programs	Economic and Community Affairs	Corrections	Mental Health	Public Health	Revenues Allocated to Local Governments	Other Special Revenue Funds	Totals
1,052	-	-	100,512	2,470	219,190	58,465	3,117,648
345	-	-	-	1,688	22,372	57,819	195,534
-	-	-	-	-	-	2,624	2,625
2	1,888	-	-	-	-	5,051	9,405
343,478	135,649	153	89,194	62,270	-	135,495	1,837,173
1,083	8,805	4,622	9,423	61,804	2,686	105,527	303,537
345,960	**146,342**	**4,775**	**199,129**	**128,232**	**244,248**	**364,981**	**5,465,922**
-	-	-	-	-	-	35,466	35,466
285,427	-	-	-	-	-	18,639	2,027,353
-	-	-	-	-	-	29,852	29,852
-	-	-	264,073	136,788	-	21,146	1,255,689
63,177	58,005	-	-	-	-	74,431	497,529
-	5,233	129,654	-	8	-	99,875	246,884
-	-	-	-	-	-	1,001	600,142
-	71,001	-	-	-	-	79,192	158,341
-	-	-	-	-	-	9,297	9,297
-	-	-	-	-	248,001	-	248,001
348,604	**134,239**	**129,654**	**264,073**	**136,796**	**248,001**	**368,899**	**5,108,554**
(2,644)	**12,103**	**(124,879)**	**(64,944)**	**(8,564)**	**(3,753)**	**(3,918)**	**357,368**
4,378	10,177	236	97,205	7,164	4,227	34,672	305,021
-	7,840	123,431	62,164	-	-	62,005	398,584
-	-	-	9,584	6,636	-	43,988	(11,478)
-	-	-	-	-	-	-	(685,735)
(1,332)	(18,526)	(379)	(96,205)	(8,985)	(104)	(149,445)	(308,369)
3,046	**(509)**	**123,288**	**72,748**	**4,815**	**4,123**	**(8,780)**	**(301,977)**
402	**11,594**	**(1,591)**	**7,804**	**(3,749)**	**370**	**(12,698)**	**55,391**
1,166	24,365	8,540	23,190	10,571	-	134,730	266,203
1,245	(15,523)	4,296	(103)	3,070	(370)	18,431	11,569
-	-	-	-	(724)	-	(1,033)	(19,640)
2,813	**20,436**	**11,245**	**30,891**	**9,168**	-	**139,430**	**313,523**

COMBINING BALANCE SHEET
Other Special Revenue Funds

September 30, 1990

(Amounts in Thousands)

	Revenue Administrative	Industrial Relations	Conservation	Forestry	Environmental Management
ASSETS					
Cash	8,241	8,921	9,699	3,040	5,687
Investments	-	-	6,448	-	5,304
Interest & Dividends Receivable	-	-	-	-	-
Accounts Receivable	-	-	-	-	-
Due From Other Funds	-	1,989	-	-	214
Due From Other Governments	-	5	-	-	1,339
Inventory	-	-	-	216	-
Other Assets	-	-	-	-	-
TOTAL ASSETS	**8,241**	**10,915**	**16,147**	**3,256**	**12,544**
LIABILITIES AND FUND EQUITY					
Liabilities					
Warrants Payable	730	306	1,071	1,042	241
Accounts Payable	-	665	3,647	664	1,486
Due To Other Funds	993	1,547	-	-	135
Due To Other Governments	-	-	-	-	-
Salaries Payable	-	-	-	-	-
Other Liabilities	-	-	-	-	-
Amounts Held In Custody For Others	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Total Liabilities	**1,723**	**2,518**	**4,718**	**1,706**	**1,862**
Fund Equity					
Reserved For Encumbrances	4,991	809	1,125	666	272
Reserved For Inventory	-	-	-	216	-
Reserved For Specific Purposes	800	-	-	-	-
Unreserved, Undesignated	727	7,588	10,304	668	10,410
Unreserved, Designated	-	-	-	-	-
Total Fund Equity	**6,518**	**8,397**	**11,429**	**1,550**	**10,682**
TOTAL LIABILITIES AND FUND EQUITY	**8,241**	**10,915**	**16,147**	**3,256**	**12,544**

Agriculture	Commission on Aging	Indigent Mothers and Babies	Professional and Occupational Boards	ASETF Proration Prevention	Other Special Revenue Funds	Totals
1,724	2,344	10,683	6,479	30,365	29,803	116,986
-	-	-	75	-	33,886	45,713
-	-	-	-	-	-	0
-	-	-	867	-	180	1,047
180	-	-	-	-	283	2,666
-	-	-	40	-	797	2,181
-	-	-	-	-	338	554
-	-	-	-	-	-	0
1,904	**2,344**	**10,683**	**7,461**	**30,365**	**65,287**	**169,147**
149	708	-	150	-	2,409	6,806
418	531	-	212	-	8,620	16,243
18	-	-	714	-	2,667	6,074
16	-	-	1	-	31	48
-	-	-	-	-	-	0
-	-	-	-	-	-	0
-	-	-	-	-	-	0
-	-	-	546	-	-	546
601	**1,239**	**0**	**1,623**	**0**	**13,727**	**29,717**
299	139	-	99	-	3,095	11,495
-	-	-	-	-	338	554
-	-	-	-	-	7	807
1,004	966	10,683	5,739	-	48,120	96,209
-	-	-	-	30,365	-	30,365
1,303	**1,105**	**10,683**	**5,838**	**30,365**	**51,560**	**139,430**
1,904	**2,344**	**10,683**	**7,461**	**30,365**	**65,287**	**169,147**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Other Special Revenue Funds

September 30, 1990

(Amounts in Thousands)

	Revenue Administrative	Industrial Relations	Conservation	Forestry	Environmental Management
REVENUES					
Taxes	38,016	-	503	5,278	-
Licenses, Permits & Fees	1,239	-	16,689	45	5,696
Fines & Forfeits	-	578	680	5	393
Interest	-	99	517	-	345
Federal Grants & Reimbursement	-	53,118	4,400	1,512	17,688
Other Revenues	11,113	885	1,160	3,098	18
Total Revenues	**50,368**	**54,680**	**23,949**	**9,938**	**24,140**
EXPENDITURES					
Economic Development	-	270	-	22,402	-
Educational & Cultural	-	-	-	-	-
Natural Resources & Recreation	-	-	22,179	-	-
Health - Physical & Mental	-	-	-	-	20,260
Social Services	-	50,595	-	-	-
Protection Of Persons & Property	-	3,687	-	-	-
Transportation	-	-	-	-	-
General Government	54,464	-	-	-	-
Debt Service - Interest & Other Charge	-	-	-	-	9,297
Distributions To Local Governments	-	-	-	-	-
Total Expenditures	**54,464**	**54,552**	**22,179**	**22,402**	**29,557**
Revenues Over (Under) Expenditures	**(4,096)**	**128**	**1,770**	**(12,464)**	**(5,417)**
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	2,335	8,777	3,061	-	661
Operating Transfers Out	(167)	(5,066)	(1,366)	(49)	(809)
Appropriated Transfers In (Out): (Note 6A)					
General Fund	-	-	-	13,057	7,295
Special Educational Trust Fund	5,124	-	-	-	-
Total Other Financing Sources (Uses)	**7,292**	**3,711**	**1,695**	**13,008**	**7,147**
Revenues and Other Sources Over (Under) Expenditures & Other Uses	**3,196**	**3,839**	**3,465**	**544**	**1,730**
Fund Balance, October 1, 1989	1,437	2,278	6,986	302	8,539
Restatements (Note 5)	1,885	2,280	978	704	413
Residual Equity Transfers (Note 6B)	-	-	-	-	-
Fund Balance, September 30, 1990	**6,518**	**8,397**	**11,429**	**1,550**	**10,682**

Agriculture	Commission on Aging	Indigent Mothers and Babies	Professional and Occupational Boards	ASETF Proration Prevention	Other Special Revenue Funds	Totals
-	-	-	-	-	14,668	58,465
7,357	-	-	7,259	-	19,534	57,819
57	251	-	3	-	657	2,624
-	-	-	40	1,002	3,048	5,051
2,029	13,623	-	144	-	42,981	135,495
339	6,027	79,013	410	-	3,464	105,527
9,782	**19,901**	**79,013**	**7,856**	**1,002**	**84,352**	**364,981**
872	-	-	365	-	11,557	35,466
-	-	-	-	-	18,639	18,639
-	-	-	-	-	7,673	29,852
-	-	-	-	-	886	21,146
-	22,940	-	-	-	896	74,431
17,003	-	-	8,136	-	71,049	99,875
-	-	-	-	-	1,001	1,001
-	-	-	-	-	24,728	79,192
-	-	-	-	-	-	9,297
-	-	-	-	-	-	0
17,875	**22,940**	**0**	**8,501**	**0**	**136,429**	**368,899**
(8,093)	**(3,039)**	**79,013**	**(645)**	**1,002**	**(52,077)**	**(3,918)**
1	-	-	1,227	-	18,610	34,672
(858)	(2)	(68,340)	(695)	(21,000)	(51,093)	(149,445)
8,778	3,703	-	-	-	29,172	62,005
-	-	-	726	29,000	9,138	43,988
7,921	**3,701**	**(68,340)**	**1,258**	**8,000**	**5,827**	**(8,780)**
(172)	662	10,673	613	9,002	(46,250)	(12,698)
386	405	10	4,242	21,363	88,778	134,726
1,089	38	-	983	-	10,065	18,435
-	-	-	-	-	(1,033)	(1,033)
1,303	**1,105**	**10,683**	**5,838**	**30,365**	**51,560**	**139,430**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCE BUDGET AND ACTUAL - *BUDGETARY BASIS*

Alabama Special Educational Trust Fund

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

	Original Budget	Final Budget	Actual	Variance Favorable [Unfavorable]
REVENUES				
Taxes:				
Income Tax	1,210,000	1,210,000	1,244,471	34,471
General Sales Tax	807,000	807,000	822,379	15,379
Utility Tax	174,000	174,000	181,289	7,289
General Use Tax	100,000	100,000	100,341	341
Insurance Premium Tax	30,800	30,800	28,966	(1,834)
Renting/Leasing Personal Property Tax	12,800	12,800	14,315	1,515
Cigarette & Tobacco Tax	23,000	23,000	21,539	(1,461)
Telephone Companies Tax	9,300	9,300	9,662	362
Hydroelectric Companies Tax	350	350	720	370
Beer Tax	16,000	16,000	17,392	1,392
Lodgings Tax	-	-	-	-
Chain Store Licenses	350	350	364	14
Employer Cost From Fed Funded Programs	14,000	14,000	16,014	2,014
Other	-	-	220	220
Total Revenues	**2,397,600**	**2,397,600**	**2,457,672**	**60,072**
EXPENDITURES				
Educational & Cultural	2,346,774	2,375,975	2,375,684	291
Health - Physical & Mental	-	-	-	-
Social Services	20,763	20,869	20,869	-
Protection of Persons and Property	11,784	11,435	11,435	-
General Government	6,847	8,590	8,585	5
Total Expenditures	**2,386,168**	**2,416,869**	**2,416,573**	**296**
Revenues Over (Under) Expenditures	**11,432**	**(19,269)**	**41,099**	**60,368**
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	3,000	3,000	3,384	384
Transfer from Proration Prevention Acct	-	-	21,000	21,000
Appropriated Operating Transfers Out	(45,864)	(72,299)	(72,219)	80
Total Other Financing Sources (Uses)	**(42,864)**	**(69,299)**	**(47,835)**	**21,464**
Revenues and Other Sources Over (Under) Expenditures and Other Uses	**(31,432)**	**(88,568)**	**(6,736)**	**81,832**
Unreserved Fund Balance, October 1, 1989	34,254	34,254	34,254	-
Unreserved Fund Balance, Sept [illegible] 1990	**2,822**	**(54,314)**	**27,518**	**81,832**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Cash Basis

Special Educational Trust Fund

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

REVENUES AND OTHER SOURCES		
General Sales Tax	822,379	
General Use Tax	100,341	
Income Tax	1,244,471	
Utilities Tax	181,289	
Insurance Companies	28,966	
Tobacco & Cigarette Taxes	21,540	
Beer Tax	17,392	
Telephone Companies	9,662	
Leasing/Renting Personal Property	14,315	
Hydroelectric Companies	720	
Chain Store License	364	
Employer Cost from Federal Funds	16,014	
Other Revenues and Transfers	2,880	
Transfer from ASETF Surplus Acct	34,254	
Transfer from Proration Prevention Acct	21,000	
TOTAL REVENUES AND OTHER SOURCES		**2,515,587**
EXPENDITURES AND OTHER USES		
Commission on Higher Education	8,408	
Department of Education	28,527	
Minimum Program	1,239,580	
Minimum Program - Handicapped Voc Educ	1,341	
Non-Education Special Schools	1,430	
Rehab & Crippled Children's Services	18,478	
Teacher In Service Centers	2,028	
Vocational Education	1,989	
Educational Television Commission	4,025	
Finance - Telephone Revolving Fd - ATTNET	7,500	
Postsecondary Education	145,470	
Public Library Services	7,044	
Veteran's Education Benefits	2,805	
Youth Services	15,138	
Misc State Agencies, Boards & Commissions	1,206	
Public Ed Employees Health Insur-State Share	144,323	
State Employee's Retirement & Social Security	460	
Teacher's Retirement - State Share	179,844	
Teacher's Retirement- Term Life	3,000	
Teacher's Special Pension	42,139	
University of Alabama - Tuscaloosa	96,247	
University of Alabama - Birmingham	115,759	
University of Alabama - Huntsville	23,869	
Alabama A&M University	18,296	
Alabama State University	18,037	
Auburn University	134,361	
Jacksonville State University	19,503	
Livingston State University	6,294	
University of Montevallo	10,475	
University of North Alabama	14,523	
University of South Alabama	47,562	

Troy State University	19,454	
Alabama Institute for the Deaf & Blind	15,443	
Endowment Interest (Alabama, Auburn, Montevallo, Grove Hill)	117	
School of Fine Arts	1,003	
Non-state Schools	3,599	
Ala Shakespeare Festival Theatre	750	
East Ala Child Development Center	1,166	
Emergency Medical Service Education	1,601	
Huntsville Board of Education	2,500	
Marine Environmental Consortium	1,056	
Scholarship Programs	1,057	
Miscellaneous Non-State Entities	4,275	
Total Expenditures		**2,411,682**
Operating Transfers Out:		
ASETF Proration Prevention Account	29,000	
Comm on Higher Educ - Student Assistance	2,009	
Council on the Arts & Humanities	1,949	
Debt Service - Trade School & Junior Coll	1,664	
Eminent Scholars Program	4,000	
Mental Health - Lighthouse Program	9,584	
Public Health Department	6,636	
Super Computer Authority	7,000	
Veterans Affairs	1,509	
Other Transfers	8,868	
Total Transfers Out		**72,219**
TOTAL EXPENDITURES AND TRANSFERS OUT		**2,483,901**
Revenues and Other Sources Over [Under] Expenditures and Other Uses		**31,686**
Fund Balance, October 1, 1989		17,994
Fund Balance, September 30, 1990		**49,680**[†]
Less: Cash Reserved for Encumbrances		15,626[†]
Available Fund Balance, September 30, 1990		**34,054**

[†] The Balance Sheet shows an available cash balance of $50,404 (cash less warrants payable) and obligations of $16,322 (accounts payable, due to other funds and governments, and encumbrances). As part of the conversion to the new accounting system at year-end, several adjustments were made after the close of the budgetary fiscal year. Cash was increased by $724 and obligations by $696 as a result of a residual equity transfer to close a fund into the ASETF.

Debt Service Funds

Debt Service Funds account for the accumulation of resources which are used for the payment of general long-term debt principal and interest.

COMBINING BALANCE SHEET
Debt Service Funds

September 30, 1990

(Amounts in Thousands)

	Public School and College Authority	Highway and Industrial Access Authorities	Corrections Institute Finance Authority	Mental Health Finance Authority
ASSETS				
Cash	61	-	-	2,749
Investments	-	-	-	6,283
Due From Other Funds	-	-	-	1,510
TOTAL ASSETS	61	0	0	10,542
LIABILITIES AND FUND EQUITY				
Liabilities				
Warrants Payable	24	-	-	-
Total Liabilities	24	0	0	0
Fund Equity				
Unreserved, Designated	37	-	-	10,542
Total Fund Equity	37	0	0	10,542
TOTAL LIABILITIES AND FUND EQUITY	61	0	0	10,542

Other Debt Service	Totals
1,201	4,011
4,490	10,773
-	1,510
5,691	**16,294**
12	36
12	**36**
5,679	16,258
5,679	**16,258**
5,691	**16,294**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Debt Service Funds

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

	Public School and College Authority	Highway and Industrial Access Authorities	Corrections Institution Finance Authority	Mental Health Finance Authority
REVENUES				
Taxes	64,920	-	-	3,906
Interest	-	22	115	724
Other Revenues	-	-	4,750	2,144
Total Revenues	**64,920**	**22**	**4,865**	**6,774**
EXPENDITURES				
Debt Service - Principal Retirement	31,275	21,415	-	1,140
Debt Service - Interest & Other Charge	33,716	5,793	4,865	5,134
Total Expenditures	**64,991**	**27,208**	**4,865**	**6,274**
Revenues Over (Under) Expenditures	**(71)**	**(27,186)**	**0**	**500**
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	27,103	-	-
Appropriated Transfers In				
General Fund	-	-	-	-
Special Educational Trust Fund	-	-	-	-
Bond Proceeds	108	-	-	-
Total Other Financing Sources (Uses)	**108**	**27,103**	**0**	**0**
Revenues and Other Sources Over (Under) Expenditures & Other Uses	**37**	**(83)**	**0**	**500**
Fund Balance, October 1, 1989	0	83	0	10,042
Restatements (Note 5)	-	-	-	-
Residual Equity Transfers (Note 6B)	-	-	-	-
Fund Balance, September 30, 1990	**37**	**0**	**0**	**10,542**

Other Debt Service	**Totals**
3,626	72,452
78	939
-	6,894
3,704	**80,285**
36,075	89,905
39,497	89,005
75,572	**178,910**
(71,868)	**(98,625)**
3,066	30,169
66,643	66,643
1,664	1,664
5,114	5,222
76,487	**103,698**
4,619	**5,073**
1,085	11,210
(8)	(8)
(17)	(17)
5,679	**16,258**

Capital Projects Funds

Capital Projects Funds account for the acquisition, construction, and improvement of governmental general fixed assets.

COMBINING BALANCE SHEET
Capital Projects Funds

September 30, 1990

(Amounts in Thousands)

	Public School and College Authority	Highway and Industrial Access Authorities	Corrections Institution Finance Authority	Mental Health Finance Authority
ASSETS				
Cash	34,803	11,955	5,848	790
Investments	23,725	42,464	9,800	54,956
TOTAL ASSETS	**58,528**	**54,419**	**15,648**	**55,746**
LIABILITIES AND FUND EQUITY				
Liabilities				
Warrants Payable	462	-	333	766
Accounts Payable	-	-	1	-
Total Liabilities	**462**	**0**	**334**	**766**
Fund Equity				
Reserved For Encumbrances	-	-	17	-
Unreserved, Designated	58,066	54,419	15,297	54,980
Total Fund Equity	**58,066**	**54,419**	**15,314**	**54,980**
TOTAL LIABILITIES AND FUND EQUITY	**58,528**	**54,419**	**15,648**	**55,746**

Waterways and Ports	Other Capital Projects	Totals
35,808	26,661	115,865
-	34,946	165,891
35,808	**61,607**	**281,756**
-	788	2,349
-	487	488
0	**1,275**	**2,837**
-	4	21
35,808	60,328	278,898
35,808	**60,332**	**278,919**
35,808	**61,607**	**281,756**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Capital Projects Funds

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

	Public School and College Authority	Highway and Industrial Access Authorities	Corrections Institute Finance Authority	Mental Health Finance Authority
REVENUES				
Licenses, Permits & Fees	-	-	-	-
Interest	38	4,396	1,387	5,379
Federal Grants & Reimbursement	-	-	-	-
Other Revenues	92	-	-	-
Total Revenues	**130**	**4,396**	**1,387**	**5,379**
EXPENDITURES				
Capital Projects	3,495	-	9,197	3,913
Debt Service - Interest & Other Charge	-	4	23	-
Total Expenditures	**33,495**	**4**	**9,220**	**3,913**
Revenues Over (Under) Expenditures	**(33,365)**	**4,392**	**(7,833)**	**1,466**
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Operating Transfers Out	(250)	(13,070)	-	-
Appropriated Transfers In (Out):				
Special Educational Trust Fund	1,300	-	-	-
Bond Proceeds	15,822	-	-	-
Total Other Financing Sources (Uses)	**16,872**	**(13,070)**	**0**	**0**
Revenues and Other Sources Over (Under) Expenditures & Other Uses	**(16,493)**	**(8,678)**	**(7,833)**	**1,466**
Fund Balance, October 1, 1989	88,765	51,227	37,568	55,659
Restatements (Note 5)	(14,206)	11,870	(14,421)	(2,145)
Fund Balance, September 30, 1990	**58,066**	**54,419**	**15,314**	**54,980**

Waterways and Ports	Other Capital Projects	Totals
-	-	-
1,536	3,087	15,823
-	130	130
-	2,112	2,204
1,536	**5,329**	**18,157**
8,498	22,906	78,009
-	2,265	2,292
8,498	**25,171**	**80,301**
(6,962)	**(19,842)**	**(62,144)**
-	8,437	8,437
-	(3,266)	(16,586)
-	-	1,300
19,927	36,221	71,970
19,927	**41,392**	**65,121**
12,965	**21,550**	**2,977**
45,823	35,632	314,674
(22,980)	3,150	(38,732)
35,808	**60,332**	**278,919**

Enterprise Funds

Enterprise Funds are used to account for the operations of State agencies that provide goods and services to the public in a manner similar to private business enterprises. The cost of providing the goods or services are recovered primarily through user charges.

Alcoholic Beverage Control Board operates facilities for the distribution and sale of alcoholic beverages.

State Parks operates state park and recreational facilities.

Risk Management operates two public entity risk pools. The State Insurance Fund provides insurance coverage for state buildings and contents against fire and casualty losses. The General Liability Trust Fund insures state employees against the risk of loss from employment-related liability claims.

Public Education Employees' Health Insurance provides health coverage for employees of school systems and junior colleges.

State Employees' Health Insurance provides health insurance coverage for state employees.

State Docks provides service for shippers including warehousing, loading, and bulk cargo handling.

Housing Finance Authority facilitates the provision of housing opportunities for those with moderate and low incomes by providing affordable financing.

COMBINING BALANCE SHEET
Enterprise Funds

September 30, 1990

(Amounts in Thousands)

	Alcoholic Beverage Control Board	State Parks	Risk Management	Public Education Employees' Health Insurance
ASSETS				
Current Assets				
Cash	11,492	6,884	1,651	23,050
Accounts Receivable	521	341	759	781
Due From Other Funds	2,842	-	-	-
Interest & Dividends Receivable	-	-	712	1,043
Inventory	26,849	483	-	-
Other Current Assets	-	-	-	175
Total Current Assets	**41,704**	**7,708**	**3,122**	**25,049**
Noncurrent Assets				
Investments	-	-	70,010	83,242
Mortgage Loans Receivable	-	-	-	-
Other Noncurrent Assets	-	-	-	-
Restricted Assets	-	-	-	-
Land	-	-	-	-
Buildings	-	59,086	-	-
Equipment	7,437	14,335	188	59
Construction In Progress	-	-	-	-
Other Fixed Assets	-	-	-	-
Accumulated Depreciation	(6,103)	-	(89)	(55)
Total Noncurrent Assets	**1,334**	**73,421**	**70,109**	**83,246**
TOTAL ASSETS	**43,038**	**81,129**	**73,231**	**108,295**
LIABILITIES AND FUND EQUITY				
Current Liabilities				
Warrants Payable	524	494	397	22,897
Accounts Payable	22,038	955	292	3
Due To Other Funds	19,293	-	-	-
Due To Other Governments	993	-	-	-
Interest Payable	-	-	-	-
Salaries Payable	-	-	-	-
Deferred Revenue	-	15	8	-
Funds Held In Escrow	-	-	-	184
Insurance Claims Incurred But Not Reported	-	-	17,644	28,601
Current Portion of Revenue Bonds	-	-	-	-
Current Portion of Limited Obligation Bonds	-	-	-	-
Current Portion of Capital Leases	-	-	-	-
Other Current Liabilities	-	-	2,231	2,496
Total Current Liabilities	**42,848**	**1,464**	**20,572**	**54,181**
Long-term Liabilities				
Pension Obligations Payable	-	-	-	-
Liabilities Payable From Restricted Assets	-	-	-	-
Limited Obligation Bonds Payable	-	-	-	-
Capital Lease Obligations Payable	-	-	-	-
Total Long-term Liabilities	**0**	**0**	**0**	**0**
Total Liabilities	**42,848**	**1,464**	**20,572**	**54,181**
Fund Equity				
Contributed Capital - State	-	-	-	-
Contributed Capital - Federal	-	-	-	-
Retained Earnings, Reserved	-	-	6,000	-
Retained Earnings, Unreserved	190	79,665	46,659	54,114
Total Fund Equity	**190**	**79,665**	**52,659**	**54,114**
TOTAL LIABILITIES AND FUND EQUITY	**43,038**	**81,129**	**73,231**	**108,295**

State Employees Health Insurance	State Docks	Housing Finance Authority	Totals
43,783	7,253	4,290	98,403
17	6,418	2,570	11,407
511	-	-	3,353
230	-	10,556	12,541
-	727	-	28,059
104	650	-	929
44,645	**15,048**	**17,416**	**154,692**
8,481	19,604	656,167	837,504
-	-	733,559	733,559
-	6,448	13,168	19,616
-	18,069	-	18,069
-	24,839	-	24,839
-	62,475	-	121,561
42	136,441	199	158,701
-	5,792	-	5,792
-	99,545	-	99,545
-	(116,210)	-	(122,457)
8,523	**257,003**	**1,403,093**	**1,896,729**
53,168	**272,051**	**1,420,509**	**2,051,421**
26	-	-	24,338
2,976	1,404	876	28,544
-	-	-	19,293
-	-	-	993
-	11	40,128	40,139
-	1,480	-	1,480
7,514	-	4,697	12,234
-	-	2,896	3,080
19,749	-	-	65,994
-	3,360	-	3,360
-	-	18,612	18,612
-	254	-	254
-	4,969	1,436	11,132
30,265	**11,478**	**68,645**	**229,453**
-	3,668	-	3,668
-	530	-	530
-	113,862	1,284,842	1,398,704
-	245	-	245
0	**118,305**	**1,284,842**	**1,403,147**
30,265	**129,783**	**1,353,487**	**1,632,600**
-	59,377	6,500	65,877
-	6,607	-	6,607
-	-	64,350	70,350
22,903	76,284	(3,828)	275,987
22,903	**142,268**	**67,022**	**418,821**
53,168	**272,051**	**1,420,509**	**2,051,421**

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
Enterprise Funds

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

	Alcoholic Beverage Control Board	State Parks	Risk Management	Public Education Employees' Health Insurance
OPERATING REVENUES				
Charges For Goods And Services	151,061	21,821	-	-
Investment Interest & Dividend	-	-	7,313	5,937
Insurance Premiums	-	-	13,300	203,393
Gain On Sale Of Investments	-	-	-	-
Interest On Mortgage Loans	-	-	-	-
Total Operating Revenues	**151,061**	**21,821**	**20,613**	**209,330**
OPERATING EXPENSES				
Salaries, Wages, Benefits	21,427	13,094	594	214
Utilities And Communications	1,109	2,989	9	25
Professional Services	786	653	1,666	20
Supplies, Materials & Operating Expense	98,720	3,905	14	14
Insurance Claims	-	-	5,376	179,924
Interest	-	-	-	-
Depreciation	779	-	3	-
Other	7,849	1,535	8,786	21
Operations and Maintenance	-	-	-	-
General & Administrative	-	-	-	-
Total Operating Expenses	**130,670**	**22,176**	**16,448**	**180,218**
Operating Income (Loss)	**20,391**	**(355)**	**4,165**	**29,112**
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	-	-	-	-
Other Non-Operating Revenues	320	391	(107)	-
Interest Expense	-	-	-	-
Other Non-Operating Expenses	-	-	(4)	-
Total Non-Operating Revenue (Expense)	**320**	**391**	**(111)**	**0**
Income Before Operating Transfers	**20,711**	**36**	**4,054**	**29,112**
TRANSFERS				
Operating Transfers In	308	2,856	360	-
Operating Transfers Out	(20,980)	(1,473)	(3,998)	-
Appropriated Transfer From General Fund	-	1,541	1,000	-
Total Transfers	**(20,672)**	**2,924**	**(2,638)**	**0**
Net Income (Loss) Before Extraordinary I	**39**	**2,960**	**1,416**	**29,112**
Extraordinary Loss	-	-	-	-
Net Income (Loss)	**39**	**2,960**	**1,416**	**29,112**
Retained Earnings, October 1, 1989	241	76,078	51,047	24,992
Restatements (Note 5)	(90)	627	196	10
Decreases In Contributed Capital	-	-	-	-
Retained Earnings, September 30, 1990	**190**	**79,665**	**52,659**	**54,114**

State Employees Health Insurance	State Docks	Housing Finance Authority	Totals
-	42,669	1,188	216,739
2,729	-	40,263	56,242
112,999	-	-	329,692
14	-	2,167	2,181
-	-	74,721	74,721
115,742	**42,669**	**118,339**	**679,575**
159	-	-	35,488
13	-	-	4,145
1,045	-	-	4,170
8	-	-	102,661
92,108	-	-	277,408
-	-	103,749	103,749
-	10,570	-	11,352
2,990	-	6,220	27,401
-	21,121	-	21,121
-	6,266	1,704	7,970
96,323	**37,957**	**111,673**	**595,465**
19,419	**4,712**	**6,666**	**84,110**
-	3,548	-	3,548
17	548	-	1,169
-	(8,160)	-	(8,160)
-	-	-	(4)
17	**(4,064)**	**0**	**(3,447)**
19,436	**648**	**6,666**	**80,663**
-	-	-	3,524
-	-	-	(26,451)
-	-	-	2,541
0	**0**	**0**	**(20,386)**
19,436	648	6,666	60,277
-	-	(1,116)	(1,116)
19,436	**648**	**5,550**	**59,161**
3,849	142,300	61,796	360,303
(382)	-	-	361
-	(680)	(324)	(1,004)
22,903	**142,268**	**67,022**	**418,821**

STATE OF ALABAMA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Cash Basis
Alcoholic Beverage Control Board

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

REVENUES		
Gross Sales of Alcoholic Beverages		212,530
Less:		
State Sales Tax		(3,538)
2% Additional Sales Tax		(1,809)
Distribution of State Liquor Taxes to:		
General Fund	27,701	
Dept. of Human Resources	20,366	
Dept. of Mental Health	8,023	
Total Liquor Taxes		(56,090)
Net Revenues from Sales		151,093
Other Revenues		628
Total Revenues		**151,721**
EXPENDITURES		
Salaries, Wages, Benefits		21,427
Utilities & Communication		1,109
Rentals and Leases		2,758
Professional Services		786
Cost of Merchandise		101,837
Supplies, Materials & Operating Expenses		710
Purchase of Fixed Assets		1,506
Other		1,754
Total Expenditures		**131,887**
Net Profit		**19,834**
Distribution of Profits:		
General Fund		(12,062)
Dept. of Human Resources		(1,367)
Dept. of Public Safety		(2,000)
Dept. of Mental Health		(1,000)
Cities		(2,638)
Counties		(1,219)
Total Distributions		**(20,286)**
Increase (Decrease) in Fund Balance		**(452)**
Fund Balance, October 1, 1989		7,676†
Fund Balance, September 30, 1990		**7,224†**

† Does not include items in transit or cash held in bank accounts outside the State Treasury

Internal Service Funds

Internal Service Funds are maintained to account for the operation of State agencies which provide goods and services to other State agencies on a cost-reimbursement basis.

Data Systems Management Division Funds provide telecommunication services and equipment, computer services, information technology, and planning and coordination in equipment and system selection.

Service Division Funds account for various services provided to State agencies including rental of office buildings, janitorial services, and building maintenance.

Printing and Publications Fund provides printing services to State agencies.

Super Computer Fund accounts for the operation of the Super Computer located in Huntsville.

Air Transportation Fund provides air transportation for state personnel and maintenance facilities for state aircraft.

Correctional Industries Fund accounts for the agricultural operations and manufacturing activities of the State's correctional facilities.

State Surplus Property Fund accounts for the transfer and sale of State-owned surplus property.

Federal Surplus Property Fund accounts for the transfer and sale of federally-owned surplus property.

Military Billeting Fund accounts for the proceeds and expenditures of operating and maintaining quarters at Alabama National Guard training sites for senior officers and enlisted personnel.

Building Authorities account for the rental and maintenance of the State House Building (formerly the State Highway Building) and the Folsom Administrative Building.

Public Road and Bridge Internal Service Fund accounts for activities and resources used to produce goods and services for other highway funds, other departments, and agencies on a cost-reimbursement basis.

COMBINING BALANCE SHEET
Internal Service Funds

September 30, 1990

(Amounts in Thousands)

	Lata Systems Management Division	Service Division Funds	Printing and Publications	Super Computer
ASSETS				
Current Assets				
Cash	9,088	5,791	1,836	330
Accounts Receivable	-	-	-	-
Due From Other Funds	6,507	3,231	1,121	-
Due From Other Governments	-	-	-	-
Inventory	-	715	265	-
Other Current Assets	-	-	2	-
Total Current Assets	**15,595**	**9,737**	**3,224**	**330**
Noncurrent Assets				
Land	-	-	-	174
Buildings	1,215	65,200	1,698	2,466
Equipment	45,258	2,474	2,400	25,763
Other Fixed Assets	-	-	-	-
Accumulated Depreciation	(24,986)	(1,438)	(1,873)	(5,699)
Total Noncurrent Assets	**21,487**	**66,236**	**2,225**	**22,704**
TOTAL ASSETS	**37,082**	**75,973**	**5,449**	**23,034**
LIABILITIES AND FUND EQUITY				
Current Liabilities				
Warrants Payable	809	908	214	8
Accounts Payable	4,805	202	248	-
Due To Other Funds	5,579	-	-	-
Interest Payable	-	-	-	-
Salaries Payable	-	-	130	-
Revenue Bonds Payable	-	-	-	-
Other Current Liabilities	-	-	-	-
Total Current Liabilities	**11,193**	**1,110**	**592**	**8**
Long-term Liabilities				
Notes Payable	14,587	-	-	18,790
Limited Obligation Bonds Payable	-	-	-	-
Capital Leases Payable	-	62,629	114	-
Total Long-term Liabilities	**14,587**	**62,629**	**114**	**18,790**
Total Liabilities	**25,780**	**63,739**	**706**	**18,798**
Fund Equity				
Contributed Capital - State	5,970	468	752	174
Contributed Capital - Other	-	145	-	-
Retained Earnings, Reserved	-	2,000	1,700	-
Retained Earnings, Unreserved	5,332	9,621	2,291	4,062
Total Fund Equity	**11,302**	**12,234**	**4,743**	**4,236**
TOTAL LIABILITIES AND FUND EQUITY	**37,082**	**75,973**	**5,449**	**23,034**

Air Transportation	Correctional Industries	State Surplus Property	Federal Surplus Property	Military Billeting	Building Authorities	Public Road and Bridge Internal Service	Totals
140	7,182	487	94	91	36,254	21,041	**82,334**
-	-	30	60	-	-	31	**121**
214	2,317	8	19	-	180	360	**13,957**
-	-	69	74	6	-	-	**149**
-	10,421	5,359	-	-	-	11,204	**27,964**
-	-	-	-	-	-	-	**2**
354	**19,920**	**5,953**	**247**	**97**	**36,434**	**32,636**	**124,527**
-	-	-	-	-	-	-	**174**
-	2,434	-	-	-	36,160	-	**109,173**
3,175	7,940	88	111	33	34	64,419	**151,695**
-	1,440	-	-	-	20	-	**1,460**
(3,136)	(4,229)	(45)	(107)	-	(5,107)	(33,929)	**(80,549)**
39	**7,585**	**43**	**4**	**33**	**31,107**	**30,490**	**181,953**
393	**27,505**	**5,996**	**251**	**130**	**67,541**	**63,126**	**306,480**
8	507	61	3	-	708	-	**3,226**
119	3	81	13	-	148	-	**5,619**
-	-	175	3	-	-	-	**5,757**
-	-	-	-	-	1,211	-	**1,211**
-	-	-	-	-	-	-	**130**
-	-	-	-	-	226	-	**226**
-	-	-	-	-	-	14,039	**14,039**
127	**510**	**317**	**19**	**0**	**2,293**	**14,039**	**30,208**
304	-	-	-	-	-	-	**33,681**
-	-	-	-	-	29,500	-	**29,500**
-	-	-	-	-	-	-	**62,743**
304	**0**	**0**	**0**	**0**	**29,500**	**0**	**125,924**
431	**510**	**317**	**19**	**0**	**31,793**	**14,039**	**156,132**
-	-	6	22	25	-	49,061	**56,478**
-	-	-	-	-	-	-	**145**
-	-	278	-	-	500	-	**4,478**
(38)	26,995	5,395	210	105	35,248	26	**89,247**
(38)	**26,995**	**5,679**	**232**	**130**	**35,748**	**49,087**	**150,348**
393	**27,505**	**5,996**	**251**	**130**	**67,541**	**63,126**	**306,480**

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
Internal Service Funds

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

	Data Systems Management Division	Service Division Funds	Printing and Publications	Super Computer
OPERATING REVENUES				
Charges For Goods And Services	34,136	8,406	5,353	142
Rents And Leases	-	8,083	-	-
Total Operating Revenues	**34,136**	**16,489**	**5,353**	**142**
OPERATING EXPENSES				
Salaries, Wages, Benefits	5,327	1,631	2,436	134
Utilities And Communications	14,093	5,566	120	189
Professional Services	5,505	421	51	6,643
Supplies, Materials & Operating Expense	827	617	1,744	17
Interest	-	-	-	-
Depreciation	7,439	(173)	178	-
Other	9,954	548	217	57
Total Operating Expenses	**43,145**	**8,610**	**4,746**	**7,040**
Operating Income (Loss)	**(9,009)**	**7,879**	**607**	**(6,898)**
NON-OPERATING REVENUES (EXPENSES)				
Interest Income	-	-	-	-
Other Non-Operating Revenues	31	236	4	(116)
Other Non-Operating Expenses	(509)	-	-	-
Total Non-Operating Revenue (Expenses)	**(478)**	**236**	**4**	**(116)**
Income Before Operating Transfers	**(9,487)**	**8,115**	**611**	**(7,014)**
TRANSFERS				
Operating Transfers In	-	61	3	-
Operating Transfers Out	-	(1,750)	-	-
Appropriated Transfers In (Out):				
General Fund	2,312	-	-	-
Special Educational Trust Fund	-	-	-	7,000
Total Transfers	**2,312**	**(1,689)**	**3**	**7,000**
Net Income (Loss)	**(7,175)**	**6,426**	**614**	**(14)**
Retained Earnings, October 1, 1989	19,304	7,120	4,279	4,259
Restatements (Note 5)	(827)	(1,310)	(150)	(9)
Increase In Contributed Capital (Note 6B)	-	-	-	-
Residual Equity Transfers	-	-	-	-
Retained Earnings, September 30, 1990	**11,302**	**12,236**	**4,743**	**4,236**

Air Transportation	Correctional Industries	State Surplus Property	Federal Surplus Property	Military Billeting	Building Authorities	Public Road and Bridge Internal Service	Totals
516	13,244	588	900	57	-	-	63,342
-	75	-	-	-	2,282	-	10,440
516	**13,319**	**588**	**900**	**57**	**2,282**	**-**	**73,782**
-	3,919	340	477	41	663	-	14,968
28	525	16	23	2	611	-	21,173
23	614	17	19	-	74	-	13,367
23	3,366	(2,956)	34	-	43	-	3,715
-	-	-	-	-	1,404	-	1,404
285	966	3	(1)	-	162	-	8,859
373	1,238	111	352	(3)	78	-	12,925
732	**10,628**	**(2,469)**	**904**	**40**	**3,035**	**0**	**76,411**
(216)	**2,691**	**3,057**	**(4)**	**17**	**(753)**	**0**	**(2,629)**
-	-	-	-	-	455	-	455
14	2,414	4	2	-	-	-	2,589
-	-	-	-	-	-	-	(509)
14	**2,414**	**4**	**2**	0	**455**	**0**	**2,535**
(202)	**5,105**	**3,061**	**(2)**	**17**	**(298)**	**0**	**(94)**
20	591	90	69	-	244	-	1,078
-	(10)	(187)	(30)	-	(6)	-	(1,983)
-	-	100	-	-	-	-	2,412
-	-	-	-	-	-	-	7,000
20	**581**	**3**	**39**	0	**238**	**0**	**8,507**
(182)	**5,686**	**3,064**	**37**	**17**	**(60)**	-	**8,413**
32	18,549	173	201	113	9,082	-	63,112
112	2,760	2,442	(6)	-	26,725	-	29,737
-	-	-	-	-	-	30,449	30,449
-	-	-	-	-	-	18,638	18,638
(38)	**26,995**	**5,679**	**232**	**130**	**35,747**	**49,087**	**150,349**

Trust and Agency Funds

Trust funds are used to account for assets held by the State in a trustee capacity.

EXPENDABLE TRUST FUNDS

Expendable Trust Funds account for resources the State holds as trustee. Both the principal and earnings of Expendable Trust Funds may be used for purposes allowed under the trust agreement.

Guaranteed Student Loan Program provides for the administration and coordination of the Alabama Guaranteed Student Loan Program.

Prepaid Affordable College Tuition fund provides for the operation of the Prepaid Affordable College Tuition program.

Unemployment Compensation Trust accounts for the collection of unemployment insurance taxes from employers and the payment of unemployment benefits to eligible claimants.

Abandoned Property Fund accounts for the custody and disposition of abandoned or unclaimed property.

Defeasance Trust Funds are irrevocable bond defeasance trust funds established to hold sufficient resources to satisfy outstanding revenue debt of certain component units. The State Treasurer holds these assets in the capacity of an independent trustee. The related debt is no longer considered to be outstanding.

Other Expendable Trust Funds are aggregated for reporting purposes to account for other expendable trust funds held and invested by the state.

NONEXPENDABLE TRUST FUNDS

Nonexpendable Trust Funds account for resources the State holds as trustee. The principal of these funds must be preserved and only the earnings may be used for purposes allowed under the trust agreement.

Heritage Trust Fund was established by constitutional amendment. The Trust Fund was created from the proceeds of all sales or lease payments received by the State from January 1, 1981 through October 31, 1981 for the rights to explore and drill for oil and gas in any offshore area. Within 90 days after September 1, 2001, the trust capital of the Heritage Trust Fund will be transferred to the Alabama Trust Fund, and all aspects of the Heritage Trust Fund will terminate.

Alabama Trust Fund is an irrevocable, permanent trust fund established by constitutional amendment. The trust fund is comprised of all payments, including royalty payments, received since August 1, 1984 for the sale or lease of rights for offshore exploration and drilling for oil and gas off the Alabama coast.

Alabama Research Institute is a trust fund which awards research grants to State universities to promote science and technology.

School Lands Fund is a permanent trust established to account for the funds accumulated from the sale or use of properties set aside for educational purposes. Investment earnings are for the benefit of local school systems.

PENSION TRUST FUNDS

Pension funds account for the resources of retirement plans administered by the state.

Employees' Retirement System accounts for the accumulation of resources for pension benefit payments to state employees, state police and employees of other eligible governmental organizations.

Teachers' Retirement System accounts for the accumulation of resources for pension benefit payments to qualified employees of state-supported educational institutions.

Judicial Retirement Fund accounts for the accumulation of resources for pension benefit payments to judges of the State's Supreme Court, Court of Civil Appeals, Court of Criminal Appeals, and Circuit Court.

Other Pension Funds account for the accumulation of resources for pension benefits administered by the State including the Peace Officers' Annuity and Benefit Fund and the Clerks' and Registers' Supernumerary Fund.

AGENCY FUNDS

Agency funds account for assets held by the State for other funds, governments, or individuals. Agency funds are custodial in nature (assets equal liabilities) and, therefore, have no revenues, expenditures, or fund balances.

Income Tax Fund accounts for the collection of the state personal income tax and for the payment of refunds before distribution to the Alabama Special Educational Trust Fund.

Sales Tax Fund accounts for the collection of the state sales tax pending allocation to other funds.

Other State Taxes Fund aggregates numerous state tax collection funds for financial reporting purposes. This fund accounts for the collection of gasoline and motor fuels taxes, motor vehicle licenses, and severance taxes, among others, pending allocation to other funds.

Taxes Collected for Local Governments accounts for local taxes which are collected by the state for local governments. These taxes do not represent revenues of the state.

Payroll Fund accounts for undistributed withholdings for employee benefits and payroll taxes.

Deferred Compensation Fund accounts for assets held for employees in accordance with the provisions of Internal Revenue Code Section 457.

Public Employees' IRA Fund accounts for assets held for public employees participating in the state IRA investment program.

Other Agency Funds are aggregated for financial reporting purposes and represent amounts held for child support payments, cash bonds, and other deposits.

COMBINING BALANCE SHEET
Trust and Agency Funds

September 30, 1990

(Amounts in Thousands)

	Expendable Trusts	Nonexpendable Trusts	Pension Trusts	Agency Funds	Total
ASSETS					
Cash	643,338	19,313	248,153	81,993	992,797
Investments	358,050	948,178	8,829,678	131,523	10,267,429
Interest & Dividends Receivable	14,181	151	160,623	1,865	176,820
Accounts Receivable	4,017	-	21,139	22	25,178
Due From Other Funds	-	-	-	363	363
Due From Other Governments	3,193	-	-	-	3,193
Land	-	-	890	-	890
Buildings	-	-	7,996	-	7,996
Equipment	-	-	1,191	-	1,191
Accumulated Depreciation	-	-	(2,515)	-	(2,515)
Amount To Be Provided From Future Employer Contributions	-	-	674,748	-	674,748
TOTAL ASSETS	**1,022,779**	**967,642**	**9,941,903**	**215,766**	**12,148,090**
LIABILITIES AND FUND EQUITY					
Liabilities					
Warrants Payable	330	-	242,350	18,749	261,429
Accounts Payable	2,507	-	349	72	2,928
Due To Other Funds	161	79	-	4,653	4,893
Due To Other Governments	1,434	-	-	30,430	31,864
Notes Payable	-	-	1,418	-	1,418
Amounts Held Pending Distribution	-	-	-	16,341	16,341
Amounts Held In Custody For Others	110	-	-	145,134	145,244
Deferred Revenue	6,682	-	-	387	7,069
Total Liabilities	**11,224**	**79**	**244,117**	**215,765**	**471,186**
Fund Equity					
Reserved For Encumbrances	40	-	-	-	40
Reserved For Pension Benefits	-	-	9,683,627	-	9,683,627
Reserved For Specific Purposes	333,969	965,276	1,329	-	1,300,574
Unreserved, Designated	371	-	-	-	371
Unreserved, Undesignated	677,175	2,287	12,830	-	692,292
Total Fund Equity	**1,011,555**	**967,563**	**9,697,786**	**-**	**11,676,904**
TOTAL LIABILITIES AND FUND EQUITY	**1,022,779**	**967,642**	**9,941,903**	**215,765**	**12,148,090**

COMBINING BALANCE SHEET
Expendable Trust Funds

September 30, 1990

(Amounts in Thousands)

	Guaranteed Student Loan Program	Prepaid Affordable College Tuition	Unemployment Compensation Trust	Abandoned Property
ASSETS				
Cash	2,119	1,673	632,171	3,832
Investments	5,110	25,523	-	-
Interest & Dividends Receivable	-	-	14,175	-
Accounts Receivable (net)	1,219	-	2,798	-
Due From Other Governments	3,184	-	9	-
TOTAL ASSETS	**11,632**	**27,196**	**649,153**	**3,832**
LIABILITIES AND FUND EQUITY				
Liabilities				
Warrants Payable	275	-	-	9
Accounts Payable	1,421	-	1,067	-
Due To Other Funds	-	-	161	-
Due To Other Governments	1,401	-	33	-
Amounts Held In Custody For Others	-	-	-	-
Deferred Revenue	6,682	-	-	-
Total Liabilities	**9,779**	**0**	**1,261**	**9**
Fund Equity				
Reserved For Encumbrances	25	-	-	-
Reserved For Specific Purposes	-	-	-	3,822
Unreserved, Undesignated	1,457	27,196	647,892	1
Unreserved, Designated	371	-	-	-
Total Fund Equity	**1,853**	**27,196**	**647,892**	**3,823**
TOTAL LIABILITIES AND FUND EQUITY	**11,632**	**27,196**	**649,153**	**3,832**

Defeasance Trust Funds	Other Expendable Trusts	Totals
3,293	250	643,338
326,854	563	358,050
-	6	14,181
-	-	4,017
-	-	3,193
330,147	**819**	**1,022,779**
-	46	330
-	19	2,507
-	-	161
-	-	1,434
-	110	110
-	-	6,682
0	**175**	**11,224**
-	15	40
330,147	-	333,969
-	629	677,175
-	-	371
330,147	**644**	**1,011,555**
330,147	**819**	**1,022,779**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Expendable Trust Funds

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

	Guaranteed Student Loan Program	Prepaid Affordable College Tuition	Unemployment Compensation Trust	Abandoned Property
REVENUES				
Licenses, Permits & Fees	-	-	-	-
Fines & Forfeits	-	-	-	-
Interest	361	208	54,895	-
Federal Grants & Reimbursement	10,934	-	-	-
Other Revenues	7,345	26,988	150,544	688
Total Revenues	**18,640**	**27,196**	**205,439**	**688**
EXPENDITURES				
Educational & Cultural	19,716	-	-	-
Social Services	-	-	174,610	-
General Government	-	-	-	265
Total Expenditures	**19,716**	**-**	**174,610**	**265**
Revenues Over (Under) Expenditures	**(1,076)**	**27,196**	**30,829**	**423**
OTHER FINANCING SOURCES (USES)				
Operating Transfers Out	-	-	-	-
Revenues and Other Sources Over (Under) Expenditures & Other Uses	**(1,076)**	**27,196**	**30,829**	**423**
Fund Balance, October 1, 1989	1,828	-	617,063	3,400
Restatements (Note 5)	1,101	-	-	-
Fund Balance, September 30, 1990	**1,853**	**27,196**	**647,892**	**3,823**

Defeasance Trust Funds	Other Expendable Trusts	Totals
-	520	520
-	15	15
28,029	83	83,576
-	-	10,934
-	96	185,661
28,029	**714**	**280,706**
-	-	19,716
-	-	174,610
69,946	1,026	71,237
69,946	**1,026**	**265,563**
(41,917)	**(312)**	**15,143**
-	(1)	(1)
(41,917)	**(313)**	**15,142**
370,380	1,023	993,694
1,684	(66)	2,719
330,147	**644**	**1,011,555**

COMBINING BALANCE SHEET
Nonexpendable Trust Funds

September 30, 1990

(Amounts in Thousands)

	Heritage Trust Fund	Alabama Trust Fund	Alabama Research Institute	School Lands	Totals
ASSETS					
Cash	92	4,862	613	13,746	19,313
Investments	470,969	461,089	13,023	3,097	948,178
Interest & Dividends Receivable	-	-	151	-	151
TOTAL ASSETS	**471,061**	**465,951**	**13,787**	**16,843**	**967,642**
LIABILITIES AND FUND EQUITY					
Liabilities					
Warrants Payable	-	-	-	-	-
Due To Other Funds	-	79	-	-	79
Total Liabilities	**0**	**79**	**0**	**0**	**79**
Fund Equity					
Retained Earnings, Reserved	471,061	465,872	11,500	16,843	965,276
Unreserved, Undesignated	-	-	2,287	-	2,287
Total Fund Equity	**471,061**	**465,872**	**13,787**	**16,843**	**967,563**
TOTAL LIABILITIES AND FUND EQUITY	**471,061**	**465,951**	**13,787**	**16,843**	**967,642**

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

Nonexpendable Trust Funds

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

	Heritage Trust Fund	Alabama Trust Fund	Alabama Research Institute	School Lands	Totals
OPERATING REVENUES					
Investment Interest & Dividends	58,202	45,333	1,250	-	104,785
Gain On Sale Of Investments	-	246	-	-	246
Rents And Leases	-	5,133	-	-	5,133
Sale Of Land	-	-	-	1,379	1,379
Total Operating Revenues	**58,202**	**50,712**	**1,250**	**1,379**	**111,543**
OPERATING EXPENSES					
Professional Services	9	-	-	-	9
Other	-	-	620	-	620
Total Operating Expenses	**9**	**0**	**620**	**0**	**629**
Operating Income (Loss)	**58,193**	**50,712**	**630**	**1,379**	**110,914**
TRANSFERS					
Operating Transfers In	-	-	6	-	6
Operating Transfers Out	(54,392)	(44,879)	(12)	-	(99,283)
Total Transfers	**(54,392)**	**(44,879)**	**(6)**	**0**	**(99,277)**
Net Income (Loss)	**3,801**	**5,833**	**624**	**1,379**	**11,637**
Fund Balance, October 1, 1989	467,260	460,039	11,968	12,366	951,633
Restatements (Note 5)	-	-	1,195	3,098	4,293
Fund Balance, September 30, 1990	**471,061**	**465,872**	**13,787**	**16,843**	**967,563**

COMBINING BALANCE SHEET
Pension Trust Funds

September 30, 1990

(Amounts in Thousands)

	Employees' Retirement System	Teachers' Retirement System	Judicial Retirement Fund	Other Pension Funds	Totals
ASSETS					
Cash	91,378	150,237	6,077	461	248,153
Investments	2,711,284	6,016,701	85,878	15,815	8,829,678
Interest & Dividends Receivable	48,361	110,692	1,480	90	160,623
Accounts Receivable	10,172	10,750	217	-	21,139
Land	399	491	-	-	890
Buildings	3,270	4,542	-	184	7,996
Equipment	544	609	-	38	1,191
Accumulated Depreciation	(979)	(1,536)	-	-	(2,515)
Amount To Be Provided From Future Employer Contributions	207,616	453,366	13,766	-	674,748
TOTAL ASSETS	**3,072,045**	**6,745,852**	**107,418**	**16,588**	**9,941,903**
LIABILITIES AND FUND EQUITY					
Liabilities					
Warrants Payable	86,862	149,128	5,980	380	242,350
Accounts Payable	156	166	7	20	349
Notes Payable	709	709	-	-	1,418
Total Liabilities	**87,727**	**150,003**	**5,987**	**400**	**244,117**
Fund Equity					
Annuity Savings	556,119	1,161,104	9,171	-	1,726,394
Annuity Reserve	170,963	312,054	-	-	483,017
Pension Reserve	625,296	1,746,828	-	-	2,372,124
Pension Accumulation	1,613,167	3,353,008	92,206	-	5,058,381
Death Benefit Reserve	11,039	16,484	-	-	27,523
Reserved For Pension Benefits	-	-	-	16,188	16,188
Reserve For Term Life Insurance	-	1,329	-	-	1,329
Unreserved, Undesignated	7,734	5,042	54	-	12,830
Total Fund Equity	**2,984,318**	**6,595,849**	**101,431**	**16,188**	**9,697,786**
TOTAL LIABILITIES AND FUND EQUITY	**3,072,045**	**6,745,852**	**107,418**	**16,588**	**9,941,903**

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

Pension Trust Funds

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

	Employees' Retirement System	Teachers' Retirement System	Judicial Retirement Fund	Other Pension Funds	Totals
OPERATING REVENUES					
Investment Interest & Dividends	242,582	545,261	8,506	940	797,289
Gain On Sale Of Investments	19,474	42,954	-	-	62,428
Retirement Contributions	170,998	351,213	6,018	2,668	530,897
Total Operating Revenues	**433,054**	**939,428**	**14,524**	**3,608**	**1,390,614**
OPERATING EXPENSES					
Salaries, Wages, Benefits	1,766	2,393	161	110	4,430
Utilities And Communications	215	308	-	21	544
Professional Services	241	279	46	55	621
Supplies, Materials & Operating Expense	117	181	-	2	300
Interest	66	66	-	-	132
Depreciation	128	209	-	-	337
Other	327	298	3	18	646
Retirement Benefits	119,458	250,645	5,657	2,334	378,094
Return Of Contributions	15,264	17,940	79	-	33,283
Total Operating Expenses	**137,582**	**272,319**	**5,946**	**2,540**	**418,387**
Operating Income (Loss)	**295,472**	**667,109**	**8,578**	**1,068**	**972,227**
TRANSFERS					
Operating Transfers In	1,581	1,029	71	-	2,681
Operating Transfers Out	(1,084)	(1,597)	-	(330)	(3,011)
Total Transfers	**497**	**(568)**	**71**	**(330)**	**(330)**
Net Income (Loss)	**295,969**	**666,541**	**8,649**	**738**	**971,897**
Fund Balance, October 1, 1989	2,689,090	5,877,469	93,391	15,450	8,675,400
Required Future Contributions	(741)	51,839	(609)	-	50,489
Fund Balance, September 30, 1990	**2,984,318**	**6,595,849**	**101,431**	**16,188**	**9,697,786**

COMBINING BALANCE SHEET
Agency Funds

September 30, 1990

(Amounts in Thousands)

	Income Tax Fund	Sales Tax Fund	Other State Taxes	Taxes Collected for Local Governments
ASSETS				
Cash	3,668	565	20,117	29,855
Investments	-	-	-	-
Interest & Dividends Receivable	-	-	-	-
Accounts Receivable	-	-	18	-
Due From Other Funds	-	42	-	321
TOTAL ASSETS	**3,668**	**607**	**20,135**	**30,176**
LIABILITIES AND FUND EQUITY				
Liabilities				
Warrants Payable	3,668	565	863	382
Accounts Payable	-	-	-	-
Due To Other Funds	-	-	4,618	25
Due To Other Governments	-	-	661	29,769
Amounts Held Pending Distribution	-	42	10,145	-
Amounts Held In Custody For Others	-	-	3,461	-
Deferred Revenue	-	-	387	-
Total Liabilities	**3,668**	**607**	**20,135**	**30,176**

Payroll Fund	Deferred Compensation	Public Employees' IRA Fund	Other Agency Funds	Totals
7,880	5,459	1,542	12,907	81,993
-	100,589	30,934	-	131,523
-	998	867	-	1,865
-	-	-	4	22
-	-	-	-	363
7,880	**107,046**	**33,343**	**12,911**	**215,766**

5,511	5,459	1,542	759	18,749
-	-	-	72	72
-	-	-	10	4,653
-	-	-	-	30,430
1	-	-	6,153	16,341
2,368	101,587	31,801	5,917	145,134
-	-	-	-	387
7,880	**107,046**	**33,343**	**12,911**	**215,766**

General Fixed Assets Account Group

The General Fixed Assets Account Group accounts for the land, buildings, improvements, and equipment of the Governmental Fund types. Fixed assets of Proprietary Fund types and Similar Trust funds and Higher Education Funds are accounted for within those funds.

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

	Balance Oct 1, 1989 as Previously Reported	Restatements†	Additions	Reductions	Balance Sept 30, 1990
Land	29,020	(768)	2,420	36	30,636
Buildings	544,648	(64,813)	49,597	1,785	527,647
Equipment	325,985	(19,788)	44,607	83,758	267,046
Construction in Progress	29,904	7,549	14,230	5,622	46,061
Total General Fixed Assets	**929,557**	**(77,820)**	**110,854**	**91,201**	**871,390**

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† $1,000 in Land and $64,200 in Buildings were reclassified from the General Fixed Assets Account Group to the Service Division Internal Service Fund to properly reflect the ownership of certain property. The major reduction in equipment was $17,106 for equipment which was determined to be owned by the federal government. Other adjustments were made to equipment to add assets which were not previously recorded and to replace estimates with the actual amounts for certain departments.

SCHEDULE OF GENERAL FIXED ASSETS
By Function

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

Function	Land	Buildings	Equipment	Total General Fixed Assets
Economic Development	1,444	12,901	23,138	37,483
Educational & Cultural	5,896	9,613	34,680	50,189
Natural Resources & Recreation	3,339	54,778	23,173	81,290
Health - Physical & Mental	1,542	130,591	39,317	171,450
Social Services	921	66	18,255	19,242
Protection of Persons & Property	15,078	286,569	76,347	377,994
Transportation	1,290	32,589	31,507	65,386
General Government	1,126	540	20,629	22,295
Total General Fixed Assets Allocated to Functions	**30,636**	**527,647**	**267,046**	**825,329**
Construction In Progress				46,061
Total General Fixed Assets				**871,390**

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
By Function

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

Function	Balance Oct 1, 1989 as Previously Reported	Restatements†	Additions	Reductions	Balance Sept 30, 1990
Economic Development	52,332	(16,885)	2,903	867	37,483
Educational & Cultural	49,089	(3)	3,261	2,157	50,190
Natural Resources & Recreation	78,849	(402)	4,117	1,274	81,290
Health - Physical & Mental	165,994	(96)	7,685	2,132	171,451
Social Services	15,689	1,114	3,039	599	19,243
Protection of Persons & Property	327,302	323	55,571	5,202	377,994
Transportation	120,573	-	16,959	72,146	65,386
General Government	89,825	(69,420)	3,088	1,202	22,291
Construction in Progress	29,904	7,549	14,231	5,622	46,062
Total General Fixed Assets	**929,557**	**(77,820)**	**110,854**	**91,201**	**871,390**

† $1,000 in Land and $64,200 in Buildings were reclassified from the General Fixed Assets Account Group to the Service Division Internal Service Fund to properly reflect the ownership of certain property. The major reduction in equipment was $17,106 for equipment which was determined to be owned by the federal government. Other adjustments were made to equipment to add assets which were not previously recorded and to replace estimates with the actual amounts for certain departments .

General Long-Term Debt Account Group

The General Long-Term Debt Account Group accounts for the State's outstanding general obligation bonds and limited obligation bonds payable from the resources of governmental fund types.

STATEMENT OF CHANGES IN GENERAL LONG-TERM DEBT

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

	Balances Oct 1, 1989	New Bonds Issued	Bond Accretion	Bonds Retired	Balances Sept 30, 1990
General obligation bonds	$586,684	$20,000	$9,343	$31,755	$584,272
Limited obligation bonds	749,577	92,498	1,503	59,616	783,962
Totals	**$1,336,261**	**$112,498**	**$10,846**	**$91,371**	**$1,368,234**

Higher Education Fund

The Higher Education Fund accounts for the resources received and used in the operation of the State's institutions of higher education.

The following state-supported educational institutions are not reported in these financial statements:

Alabama A&M University
Alabama State University
Athens State College
Auburn University
Jacksonville State University
Livingston State University
Troy State University
University of Alabama
University of Alabama - Birmingham
University of Alabama - Huntsville
University of North Alabama
University of Montevallo
University of South Alabama
Alabama Institute for the Deaf and Blind

The following components of the Alabama College System (2-year institutions) are reported in these financial statements.

Community Colleges

S. D. Bishop State Junior College
John C. Calhoun State Community College
Central Alabama Community College
Gadsden State Community College
Jefferson State Junior College
Theodore A. Lawson State Community College
Shelton State Community College
Shoals Community College
Northwest Alabama Community College
George C. Wallace State Community College--Dothan
George C. Wallace State Community College at Hanceville
George C. Wallace State Community College--Selma

Junior Colleges

Brewer State Junior College
Chattahoochee Valley Community College
Jefferson Davis State Junior College
Enterprise State Junior College
James H. Faulkner State Junior College
Patrick Henry State Junior College
Northeast Alabama State Junior College
Snead State Junior College
Southern Union State Junior College
Lurleen B. Wallace State Junior College

Technical Colleges

Alabama Aviation and Technical College
Atmore State Technical College
Harry M. Ayers State Technical College
Bessemer State Technical College
Carver State Technical College
J. F. Drake State Technical College
C. A. Fredd State Technical College
Richmond T. Hobson State Technical College
J. F. Ingram State Technical College
Douglas McArthur State Technical College
Opelika State Technical College
John M. Patterson State Technical College
Ed E. Reid State Technical College
Southwest State Technical College
Chauncey Sparks State Technical College
Council Trenholm State Technical College
Walker State Technical College

COMBINING BALANCE SHEET
Higher Education Funds

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

	CURRENT FUNDS			
	Unrestricted	Restricted	Loan	Endowments & Similar Funds
ASSETS				
Cash	8,812	716	90	159
Investments	6,236	110	-	1,820
Receivables	6,421	2,096	746	2
Inventory	4,851	-	-	0
Prepaid and Deferred Charges	11,545	442	-	0
Due From Other Funds	1,507	368	-	3
Deposits With Trustees	-	-	-	0
Other Assets	-	-	-	0
Land	-	-	-	0
Buildings and Alterations	-	-	-	0
Improvements Other Than Buildings	-	-	-	0
Equipment	-	-	-	0
Art Museums & Collections	-	-	-	0
Library Books & Audiovisual Equipment	-	-	-	0
Leased Equipment	-	-	-	0
Other Plant Assets	-	-	-	0
Construction In Progress	-	-	-	0
Total Assets	**39,372**	**3,732**	**836**	**1,984**
LIABILITIES AND FUND EQUITY				
Liabilities				
Payables	2,467	861	-	89
Deposits Refundable	85	-	-	0
Deferred Credits	11,394	83	-	0
Due To Other Funds	795	1,201	-	16
Refunded to Grantors	-	-	(1)	0
Bonds Payable	-	-	-	0
Notes Payable - Long Term	-	-	-	0
Mortgages Payable	-	-	-	0
Leasehold Payable	-	-	-	0
Deposit Liabilities	-	-	-	0
Total Liabilities	**14,741**	**2,145**	**(1)**	**105**
Fund Equity				
Allocated	4,020	637	695	0
Unallocated	20,611	950	142	0
Endowment	-	-	-	1,517
Term Endowment	-	-	-	103
Quasi-endowment, Unrestricted	-	-	-	39
Quasi-endowment, Restricted	-	-	-	220
Investment in Plant	-	-	-	0
Total Fund Equity	**24,631**	**1,587**	**837**	**1,879**
TOTAL LIABILITIES AND FUND EQUITY	**39,372**	**3,732**	**836**	**1,984**

PLANT FUNDS						
Unexpended	State Bond Authorities	Renewal and Replacement	Retirement of Indebtedness	Investment in Plant	Agency Funds	Totals
6,269	-	659	520	-	676	17,901
13,998	-	2,749	1,761	-	732	27,406
419	-	28	-	-	298	10,010
-	-	-	-	-	-	4,851
-	-	-	-	-	-	11,985
111	-	68	-	-	62	2,121
-	-	70	758	-	-	828
-	-	-	-	-	-	0
-	-	-	-	7,678	-	7,678
-	-	-	-	205,994	-	205,994
-	-	-	-	12,897	-	12,897
-	-	-	-	97,511	-	97,511
-	-	-	-	714	-	714
-	-	-	-	13,333	-	13,333
-	-	-	-	2,225	-	2,225
-	-	-	-	1,526	-	1,526
1,927	1,346	-	-	1,081	-	4,354
22,724	**1,346**	**3,574**	**3,039**	**342,959**	**1,768**	**421,334**
3,818	-	25	274	-	128	7,662
-	-	-	-	-	-	85
-	-	-	-	-	-	11,477
36	-	-	-	-	73	2,121
-	-	-	-	-	-	(1)
-	-	-	-	9,936	-	9,936
-	-	-	-	1,047	-	1,047
-	-	-	-	-	-	0
-	-	-	-	3,017	-	3,017
-	-	-	-	-	1,567	1,567
3,854	**0**	**25**	**274**	**14,000**	**1,768**	**36,911**
6,284	1,346	432	976	-	-	14,390
12,586	-	3,117	1,789	1	-	39,196
-	-	-	-	-	-	1,517
-	-	-	-	-	-	103
-	-	-	-	-	-	39
-	-	-	-	-	-	220
-	-	-	-	328,958	-	328,958
18,870	**1,346**	**3,549**	**2,765**	**328,959**	**0**	**384,423**
22,724	**1,346**	**3,574**	**3,039**	**342,959**	**1,768**	**421,334**

Other Statements and Schedules

This section presents schedules and statements which bring together information spread throughout the statements and presents this information in greater detail in order to provide more useable information and to demonstrate legal compliance.

STATEMENT OF REVENUES BY PRINCIPAL SOURCES

All Governmental Fund Types and Expendable Trust Funds

Cash Basis

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

TAXES

General Sales Tax (4% on gross retail sale of merchandise; similar tax for use of merchandise bought out of state)	$ 937,462
General Use Tax	100,338
Income Tax (2% to 5% personal income, 5% net corporate income)	1,260,814
Property Tax Relief (represents portion of Income Tax used to offset property taxes lost in certain funds due to homestead exemptions)	20,387
General Property Tax (6 1/2 mills for state on varying rates not over 30%)	90,457
Gasoline Tax (.11 per gallon; .03 aviation; .01 jet)	231,484
Utilities Tax (4% of gross receipts)	181,289
Insurance Premium Tax (gross premium tax for privilege of operating in state)	147,626
Liquor & Wine Taxes (total of 46%, collected by ABC stores)	56,090
Tobacco & Cigarette Taxes (8.25 mills per cigarette; varying amounts on cigars, smoking tobacco, snuff, etc)	70,030
Corporation Taxes (franchise, $3.00 per $1,000 capital; permit, entrance fees for filing)	102,231
State Beer Tax (.05 per 12 oz.)	43,480
Public Utilities	60,557
Motor Fuel Tax (diesel .12 per gallon)	56,650
Tennessee Valley Authority (payments in-lieu of all state taxes)	55,627
Telephone Companies (2 1/2% on intrastate gross receipts)	23,005
Leasing or Renting Tangible Personal Property - 4%	35,787
Production Privilege Tax (Oil & Gas Severance at varying amounts	44,827
Financial Institutions Excise Tax (6% of net income of banks and other financial institutions	25,127
Documentary Filing Tax (auto title, deed, mortgage, securities, etc)	30,959
Coal Severance Tax (0.335 per ton)	8,860
Forestry Severance Tax	5,379
Inheritance Tax (amount of federal credit)	15,861
Contractors Gross Receipts Tax	18,219
Lodgings Tax (4% or 5% of charge)	14,968
Hydroelectric Companies (tax of 2/5 mill per kilowatt hour and 2.2% per dollar gross receipts)	1,714
Lubricating Oil Tax (.06 per gallon)	1,979
Motor Carriers (Mileage tax .0025 to .01 per mile)	680
Pari-Mutuel Betting (1 or 2% on pari-mutuel pools)	4,852
Court Cost Taxes	8,477
Hazardous Waste Fees	11,899
Miscellaneous Taxes	2,076
TOTAL TAXES	**3,669,191**

LICENSES, PERMITS, AND FEES	
Conservation Licenses (fishing, hunting, boat registration, etc.)	16,691
Drivers License, Transcripts, Duplicates, etc	20,690
Motor Carrier-Truck Decal (in lieu of motor vehicle license)	7,589
Petroleum Products Inspection Fees	59,214
Agriculture Licenses, Permits, Fees	5,215
Wholesale Oil Company License	2,437
Motor Vehicle License ($23.00 on auto; up to $845.00 on trucks and up to $210.00 on buses)	100,783
Privilege License (fees for privilege of operating stores, factories, professions, businesses, etc.)	19,732
Court Fees	18,845
Alcoholic Beverage Licenses	2,944
Miscellaneous License, Permits, Fees	23,933
TOTAL LICENSES, PERMITS, AND FEES	**278,073**
FINES & FORFEITS	
Court Fines & Forfeits	11,035
Miscellaneous Fines & Forfeits	2,690
TOTAL FINES & FORFEITS	**13,725**
FEDERAL FUNDS	**1,834,206**
INTEREST	**161,581**
OTHER REVENUES	
Employer's Cost from Federal Funds (reimbursing ASETF for Teachers' Retirement participation)	16,014
Reimbursements	34,635
Rents & Royalties	8,054
Sales of Property or Services	4,487
Contributions	258,604
Intragovernmental Services	58,934
Local Revenues	11,076
Other Revenues	118,384
TOTAL OTHER REVENUES	**510,188**
TOTAL REVENUES	**$ 6,466,964**

STATEMENT OF REVENUES BY PRINCIPAL SOURCES AND DISTRIBUTIONS OF REVENUES
All Governmental Fund Types and Expendable Trust Funds
Cash Basis

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

TAXES	Total Revenues	Expense of Administration	Net Revenues	Human Resources Funds	General Fund	Public School Fund	Special Educational Trust Fund	Conservation Funds
General Sales Tax	937,462	14,417	923,045	16,819	16,740	-	822,379	0
General Use Tax	100,338	-	100,338	-	(3)	-	100,341	0
Income Tax	1,260,814	16,343	.244,471	-	-	-	1,244,471	0
Property Tax Relief	20,387	-	20,387	3,011	8,343	9,033	-	0
General Property Tax	90,457	-	90,457	13,674	34,829	41,954	-	0
Gasoline Tax	231,484	4,815	226,669	-	-	-	-	503
Utilities Tax	181,289	-	181,289	-	-	-	181,289	0
Insurance Premium Tax	147,626	-	147,626	-	113,640	-	28,966	0
Liquor & Wine Taxes	56,090	-	56,090	20,366	27,701	-	-	0
Tobacco & Cigarette Taxes	70,030	1,061	68,969	4,033	24,203	-	21,539	0
Corporation Taxes	102,231	-	102,231	16,248	79,006	-	-	0
State Beer Tax	43,480	-	43,480	8,696	13,044	-	17,392	0
Public Utilities	60,557	-	60,557	-	9,304	-	-	0
Motor Fuels Tax	56,650	1,004	55,646	-	-	-	-	0
Tennessee Valley Authority	55,627	-	55,627	-	10,538	-	-	0
Telephone Companies	23,005	-	23,005	-	-	-	9,662	0
Renting / Leasing Personal Property	35,787	-	35,787	-	21,472	-	14,315	0
Production Privilege Tax	44,827	-	44,827	-	33,874	-	-	0
Financial Institutions Excise Tax	25,127	275	24,852	-	4,742	-	-	0
Documentary Filing Tax	30,959	-	30,959	-	30,959	-	-	0
Coal Severance Tax	8,860	-	8,860	-	3,526	-	-	0
Forestry Severance Tax	5,379	101	5,278	-	-	-	-	0
Inheritance Tax	15,861	-	15,861	-	15,861	-	-	0
Contractors Gross Receipts Tax	18,219	-	18,219	2,733	-	-	-	0
Lodgings Tax	14,968	-	14,968	-	10,682	-	-	0
Hydroelectric Companies	1,714	-	1,714	-	-	-	720	0
Lubricating Oil Tax	1,979	-	1,979	-	708	-	-	0
Motor Carriers	680	-	680	-	-	-	-	0
Pari-Mutuel Betting	4,852	-	4,852	-	4,852	-	-	0
Court Cost Taxes	8,477	-	8,477	-	1,922	-	-	0
Hazardous Waste	11,899	-	11,899	-	11,818	-	-	0
Miscellaneous Taxes	2,076	-	2,076	2	2,068	6	-	0
Total Taxes	3,669,191	38,016	3,631,175	85,582	479,829	50,993	2,441,074	503
LICENSES, PERMITS AND FEES								
Conservation Licenses	16,691	-	16,691	-	1	-	-	16,688
Drivers License Fees	20,690	-	20,690	-	20,690	-	-	0
Motor Carrier-Truck Decal	7,589	-	7,589	-	-	-	-	0
Petroleum Products Inspection Fee	59,214	-	59,214	-	-	-	-	0
Agricultural Licenses, Permits, Fees	5,215	-	5,215	-	-	-	-	0
Wholesale Oil Company License	2,437	-	2,437	-	2,437	-	-	0
Motor Vehicle License	100,783	290	100,493	-	30,222	-	-	0
Privilege License	19,732	923	18,809	-	5,433	-	364	0
Court Fees	18,845	-	18,845	-	18,514	-	-	0
Alcoholic Beverage Licenses	2,944	-	2,944	-	2,944	-	-	0
Miscellaneous Licenses, Permits, Fees	23,933	26	23,907	-	1,779	-	-	0
Total Licenses, Permits and Fees	278,073	1,239	276,834	-	82,020	-	364	16,688
Court Fines & Forfeits	11,035	-	11,035	-	11,035	-	-	0
Miscellaneous Fines & Forfeits	2,690	-	2,690	-	50	-	-	680
Interest & Dividend Income	161,581	-	161,581	423	51,943	1,401	-	517
Federal Revenues	1,834,206	-	1,834,206	150,020	273	-	-	4,400
Employer Cost from Federal Funds	16,014	-	16,014	-	-	-	16,014	0
Other	494,174	11,113	483,061	24,196	6,946	1,761	220	1,160
TOTAL REVENUES	6,466,964	50,368	6,416,596	260,221	632,096	54,155	2,457,672	23,948

Note 1: The administrative costs of certain revenues are not deducted until after they are distributed. The revenues, administrative costs, and the funds in which the revenues are recognized are: Use Tax $1,578 ASETF; Utility Tax: $3,503 ASETF; General Property Tax: $666 Human Resources and $1,640 Public School Fund; Motor Vehicle Licenses: $1,163 Highway; Tobacco Stamps: $43 ASETF; Lodgings Tax $15 North Ala.

Distributed to Local Governments	Debt Service Funds	Agriculture and Industries	Medicaid	Highway Department	Health General & Mental	Education Department	Economic & Community Affairs	Other	Distribution of Other Amounts
2,187	64,920	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
124,008	-	-	-	101,461	-	-	-	697	Aeronautics (Aviation Fuel)
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	5,020	-	-	-	
-	-	-	-	-	8,023	-	-	-	
-	6,298	-	-	-	8,863	-	-	4,033	State Parks Cigarette Tax Fund
6,609	-	-	-	-	-	-	-	368	Secretary of State
4,348	-	-	-	-	-	-	-	-	
-	-	-	-	-	51,253	-	-	-	
-	-	-	-	55,646	-	-	-	-	
44,137	496	-	-	-	-	-	-	456	Emergency Management
-	-	-	-	-	13,343	-	-	-	
-	-	-	-	-	-	-	-	-	
10,953	-	-	-	-	-	-	-	-	
20,110	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
5,334	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	5,278	Forestry Commission
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	15,486	-	-	-	
725	-	-	-	-	-	-	-	3,561	Tourism & Travel
-	-	-	-	-	994	-	-	-	
699	-	-	-	572	-	-	-	-	
-	-	-	-	630	-	-	-	50	Public Service Commission
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	1,052	-	5,503	Fair Trial Tax Fund
81	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
219,191	71,714	-	-	158,309	102,982	1,052	-	19,946	
-	-	-	-	-	-	-	-	2	
-	-	-	-	-	-	-	-	-	
-	-	-	-	6,165	-	-	-	1,424	Public Service Commission
9,497	-	2,100	-	47,612	-	-	-	5	
-	-	5,215	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
12,875	-	-	-	57,375	-	-	-	21	
-	-	42	-	1,781	529	345	-	10,315	
-	-	-	-	-	-	-	-	331	
-	-	-	-	-	-	-	-	-	
-	-	-	-	13	1,159	-	-	20,956	
22,372	-	7,357	-	112,946	1,688	345	-	33,054	
-	-	-	-	-	-	-	-	-	
-	-	57	1	-	-	-	-	1,902	
-	939	-	640	-	-	2	1,786	103,930	primarily Expendable Trusts
-	-	2,044	602,125	313,888	151,463	343,782	125,825	140,386	see Schedule of Federal Revs by Dept
-	-	-	-	-	-	-	-	-	
2,694	6,895	277	40,311	20,693	71,187	1,082	18,896	286,743	
244,257	79,548	9,735	643,077	605,836	327,320	346,263	146,507	585,961	

STATE OF ALABAMA

SCHEDULE OF FEDERAL REVENUES BY DEPARTMENT
All Governmental Fund Types and Expendable Trust Funds

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

Department	
Agriculture & Industries	$ 2,044
Attorney General	929
Commission on Aging	13,623
Commission on Higher Education	12,078
Conservation & Natural Resources	4,400
Council on the Arts	558
Economic & Community Affairs	125,825
Education	343,782
Educational Television Commission	786
Emergency Management Agency	28,750
Environmental Management	17,168
Forestry Commission	1,512
Geological Survey	530
Highway	313,888
Historical Commission	515
Human Resources	150,020
Industrial Relations	53,938
Medicaid Agency	602,125
Mental Health & Retardation	89,194
Military	3,499
Public Health	62,270
Public Library Services	1,741
Public Safety	2,145
Surface Mining Reclamation Commission	1,066
Veterans' Affairs	130
Other Departments	1,692
Total Federal Revenues	**$ 1,834,208**

STATEMENT OF EXPENDITURES BY FUNCTION AND DEPARTMENT
All Governmental Fund Types and Expendable Trust Funds
Cash Basis

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

ECONOMIC DEVELOPMENT & REGULATION	Amount	Percent of Total
Forestry	23,534	
Public Service Commission	7,736	
Geological Survey / Oil & Gas Board	5,470	
Insurance Department	3,066	
Other	4,261	
TOTAL ECONOMIC DEVELOPMENT & REGULATION	**44,067**	**0.75%**
EDUCATIONAL & CULTURAL		
Minimum Program	1,240,771	
Public School Fund	45,000	
Federal Funds-Elementary & Secondary Education	285,142	
Department of Education	34,922	
Fringe Benefits	366,767	
Commission on Higher Education	34,924	
Public Library Service	8,849	
Educational Television Commission	5,246	
Department of Youth Services	4,541	
Archives and History	2,906	
Department of Postsecondary Education	33,005	
Council on the Arts	2,500	
Historical Commission	2,332	
Other	21,553	
TOTAL EDUCATIONAL & CULTURAL	**2,088,458**	**35.34%**
NATURAL RESOURCES & RECREATION		
Conservation & Natural Resources	21,373	
Bureau of Tourism & Travel	4,950	
Soil & Water Conservation Commission	1,310	
Agricultural & Conservation Development Comm	2,215	
Other	1,511	
TOTAL NATURAL RESOURCES & RECREATION	**31,359**	**0.53%**
HEALTH - PHYSICAL & MENTAL		
County Health	36,170	
Public Health Dept. - Federal Funds	20,212	
Public Health Department	51,119	
Public Health Dept. - WIC Program	54,905	
Medicaid	831,499	
Mental Health	264,367	
Environmental Management	18,841	
Other	936	
TOTAL HEALTH - PHYSICAL & MENTAL	**1,278,049**	**21.62%**
SOCIAL SERVICES		
Human Resources	277,251	
Rehabilitation Services	67,761	
Disability Determination	16,029	
Economic & Community Affairs	57,174	
Industrial Relations	50,595	
Commission on Aging	22,871	
Veterans' Affairs	7,584	
Unemployment Compensation Trust Fund	174,609	
Other	2,797	
TOTAL SOCIAL SERVICES	**676,671**	**11.45%**

PROTECTION OF PERSONS AND PROPERTY	**Amount**	**Percent of Total**
Law Enforcement		
Public Safety Department	55,712	
Forensic Sciences	7,116	
Highway & Traffic Safety (ADECA)	1,202	
Law Enforcement Planning (ADECA)	4,031	
Criminal Justice Information Center	4,165	
Attorney General	7,504	
Other Law Enforcement	1,598	
Total Law Enforcement	81,328	
Business Regulation		
Industrial Relations	5,717	
Banking & Credit Union	3,007	
Real Estate Commission	1,047	
Professional/Occupational Regulation	6,275	
Surface Mining Reclamation Commission	3,150	
Others	60	
Total Business Regulation	19,256	
Correctional		
Dept. of Corrections	124,710	
Dept. of Youth Services	17,751	
Pardons & Paroles	13,185	
Other	4,102	
Total Correctional	159,748	
Military	10,655	
Emergency Management	35,156	
Agriculture	16,839	
TOTAL PROTECTION OF PERSONS AND PROPERTY	**322,982**	**5.46%**
TRANSPORTATION		
Highway	594,394	
Aeronautics	1,001	
TOTAL TRANSPORTATION	**595,395**	**10.07%**
GENERAL GOVERNMENT		
Fiscal Administration		
Dept. of Revenue	55,196	
Dept. of Finance	10,263	
Secretary of State	2,220	
Economic & Community Affairs	843	
Examiners of Public Accounts	9,514	
Total Fiscal Administration	78,036	
Judiciary	73,394	
General Executive Departments		
Alabama Development Office	4,486	
Personnel Dept.	3,146	
Secretary of State	2,014	
Economic & Community Affairs	70,922	
Total General Executive Departments	80,568	

STATEMENT OF EXPENDITURES BY FUNCTION AND DEPARTMENT
All Governmental Fund Types and Expendable Trust Funds
Cash Basis

For the Fiscal Year Ended September 30, 1990

(Amounts in Thousands)

	Amount	Percent of Total
Executive Office - Governor	4,545	
Legislature	12,834	
District Attorneys	13,592	
Payments for Defeased Bonds	69,946	
Indigent Defense	7,891	
Other General Government	16,600	
TOTAL GENERAL GOVERNMENT	**357,406**	**6.05%**
CAPITAL PROJECTS		
Ala Public School & College Authority	34,308	
Corrections Institution Finance Authority	9,197	
Mobile Harbor Naval Port	8,498	
Tennessee Valley Exhibit Commission	3,520	
Ala Judicial Authority	2,898	
Mental Health Building Authority	3,913	
Music Hall of Fame	2,095	
Other	13,092	
TOTAL CAPITAL PROJECTS	**77,521**	**1.31%**
DEBT SERVICE		
Limited Obligation Bonds		
Public School & College Authority 1985A	25,164	
Pub School & Coll Auth 86 Cap Improve	26,655	
Pub School College Auth 85 Refunding	13,135	
Hwy Finance Auth 84 A & B Sinking Fund	16,540	
Hwy Finance Auth 1986 Refunding Bonds	3,822	
Indust Access Road & Bridge Auth 86	5,930	
Industrial Developmnt Auth Sinking Fund	3,299	
86 Corrections & Institution Bonds	139	
1986 Corrections Rental Pymts Escrow	4,750	
Alabama Agricultural Markets	808	
Trade School & Junior College Authority	4,009	
Judicial Building Authority	419	
APSCA 90 Bond Cost Issue	37	
89 Industrial Access Bond Debt Service	920	
Total Limited Obligation Bonds	105,627	
General Obligation Bonds		
Tombigbee Valley Development Authority	2,789	
Coosa Waterway General Obligation Sinking Fund	1,013	
Port Authority Docks Facility	5,118	
68 Mental Health Bonds Sinking Fund	6,274	
State Parks Bond Sinking Fund	2,258	
1982 G O Bond Sinking Fund	20,583	
Bond Commission Sinking Fund	1,150	
Bond Comm Sinking Fund - 1980 Prisons	1,745	
1983 GO Refunding Bonds	33,894	
Music Hall of Fame	352	
State Docks 90 GO Bonds Cost Issue	46	
Total General Obligation Bonds	75,222	

	Amount	Percent of Total
Revenue Bonds		
Water Pollution Control Authority	9,297	
Tennessee Valley Exhibit Commission	355	
Total Revenue Bonds	9,652	
TOTAL DEBT SERVICE	**190,501**	**3.22%**
DISTRIBUTIONS TO LOCAL GOVERNMENTS		
Distributions to Cities		
Gasoline Taxes	12,738	
ABC 2% Sales Tax	1,281	
Financial Institutions Excise Tax	11,055	
Production Privilege Tax	848	
Motor Vehicle License	592	
Beer Tax	2,638	
IRP Receipts	1,095	
Petroleum Inspection Fees	1,576	
Coal Tax	4,932	
Total Distributions to Cities	36,755	
Distributions to Counties		
Gasoline Taxes	111,891	
ABC 2% Sales Tax	428	
Sales Tax	378	
Franchise Tax	5,206	
Financial Institutions Excise Tax	9,055	
Production Privilege Tax	11,055	
Motor Vehicle License	3,594	
Beer Tax	5,567	
Tennessee Valley Authority	44,137	
IRP Receipts	711	
Petroleum Inspection Fees	7,921	
Truck Tag	8,313	
Lodgings Tax	704	
US Forestry Reserve Payments	1,695	
Coal Tax	303	
Total Distributions to Counties	210,958	
TOTAL DISTRIBUTIONS TO LOCAL GOVERNMENTS	**247,713**	**4.20%**
TOTAL EXPENDITURES	**$ 5,910,122**	**100.00%**

STATISTICAL SECTION

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SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES BY SOURCE
General Fund

For the Last Ten Fiscal Years

(Amounts in Thousands)

Source	1990	1989	1988	1987
Corporation Taxes	$ 79,006	$ 59,438	$ 64,392	$ 69,428
Documentary Filing Taxes	30,959	26,147	16,905	19,004
General Property Taxes	43,172	40,618	35,430	32,467
Gross Receipts Business Taxes	163,691	151,506	197,070	136,394
Excise, Sales and Use Taxes	74,505	74,990	26,173	26,072
Other Taxes	88,496	51,176	47,707	45,750
Business License, Permits and Fees	82,021	84,797	73,192	66,806
Fines and Forfeits	11,085	10,911	10,676	10,390
Other Revenues	175,717	212,374	193,212	193,844
Total Revenues and Other Sources	**$ 748,654**	**$ 711,957**	**$ 664,757**	**$ 600,155**

1986	1985	1984	1983	1982	1981
$ 58,425	$ 57,609	$ 50,554	$ 40,109	$ 40,168	$ 36,664
15,818	13,059	12,120	9,637	7,916	8,510
31,262	30,282	29,182	28,190	21,087	21,542
122,013	106,877	99,765	95,032	91,876	86,450
26,356	25,979	24,726	25,797	26,596	26,552
65,103	76,059	92,273	64,424	52,604	51,193
61,933	60,729	36,052	28,784	30,424	29,043
9,083	8,642	8,701	7,528	7,733	8,534
190,484	227,539	152,080	154,266	134,816	112,376
$580,477	**$ 606,775**	**$ 505,453**	**$ 453,767**	**$ 413,220**	**$ 380,864**

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES BY SOURCE
Alabama Special Educational Trust Fund

For the Last Ten Fiscal Years

(Amounts in Thousands)

Source	1990	1989	1988	1987
General Sales Tax	$ 822,379	$ 769,343	$ 742,624	$ 705,493
General Use Tax	100,341	96,615	94,792	85,634
Income Tax	1,244,471	1,221,810	1,057,559	1,002,171
Utility Tax	181,289	175,811	167,750	165,087
Insurance Premium Tax	28,966	27,758	37,833	24,038
Tobacco & Cigarette Taxes	21,540	21,551	22,714	22,636
Beer Taxes	17,392	16,948	17,374	17,006
Telephone Companies	9,662	9,109	9,153	8,355
Leasing / Renting Personal Property Tax	14,315	13,113	31,547	29,697
Hydroelectric Companies	720	107	389	234
Chain Store License	364	358	339	325
Employer Cost Federal Funded Programs	16,014	15,278	13,356	12,477
Other Revenues	2,880	4,077	3,428	9,976
Transfer from ASETF Surplus Account	34,254	143,833	39,592	-
Lodgings Tax	-	-	8,831	8,195
Total Revenues and Other Sources	**$ 2,515,587**	**$ 2,515,711**	**$ 2,247,281**	**$ 2,091,324**

1986	1985	1984	1983	1982	1981
$ 662,279	$ 603,566	$ 579,977	$ 502,984	$ 483,629	$ 463,487
83,099	78,453	71,123	64,733	68,271	63,703
868,079	879,283	808,793	655,497	580,611	590,485
158,116	154,054	159,822	144,312	128,035	121,629
20,231	16,242	14,640	14,061	13,930	13,400
22,841	22,591	22,669	22,264	22,707	22,639
16,375	15,612	15,143	14,370	15,097	11,916
7,305	7,945	8,546	7,934	7,154	6,694
29,494	27,093	23,074	18,383	17,566	14,926
344	557	574	579	345	570
320	310	313	316	288	291
12,260	13,345	12,296	15,793	15,696	18,549
1,624	1,656	1,268	2,476	1,378	1,670
250,371	251,996	10,572	13,258	13,300	11,478
7,489	6,819	6,094	5,202	5,041	4,357
$ 2,140,227	**$ 2,079,522**	**$ 1,734,904**	**$ 1,482,162**	**$ 1,373,048**	**$ 1,345,794**

GENERAL OBLIGATION BONDS PER CAPITA

Last Six Years

Year	General Obligation Bonds (GOB) $ Millions	GOB Indebtedness Per Capita[†]	Ratio of GOB Indebtedness To Assessed Value [‡]	Ratio of GOB Indebtedness To Personal Income [§]
1985	691.5	$172	3.39	1.21
1986	662.9	$164	3.25	1.16
1987	632.4	$155	3.10	1.11
1988	599.1	$146	2.94	1.05
1989	586.7	$142	2.88	1.03
1990	584.3	$141	2.81	1.00

[†] Based on 1990 estimated population of 4,137,000.

[‡] Based on 1989 gross assessed valuation of $20,383,105,118.

[§] Based on estimated total personal income in 1989 of $57,080,000,000.

SELECTED DEMOGRAPHIC STATISTICS

Last Ten Years

Year	Population	Per Capita Personal Income	Unemployment Rate	Real Gross State Product
1980	3,903,000	7,703	8.8	40,118
1981	3,928,000	8,468	10.7	40,621
1982	3,944,000	8,836	14.4	39,181
1983	3,963,000	9,359	13.7	40,579
1984	3,991,000	10,110	11.1	43,386
1985	4,021,000	10,700	8.9	44,982
1986	4,051,000	11,356	9.8	46,088
1987	4,084,000	11,983	7.8	47,934
1988	4,102,000	12,817	7.2	50,344
1989	4,121,000	13,616	7.0	51,609
1990	4,137,000	14,481	6.8	51,565†

† Estimated

Source: Auburn University at Montgomery,
Center for Government and Public Affairs

STATE OF ALABAMA

ASSESSED VALUATION OF PROPERTY SUBJECT TO AD VALOREM TAXATION

Last Ten Years

(Amounts in Thousands)

Year	Real Property	Personal Property	Public Utilities	Motor Vehicles	Total Assessed Valuation†
1980	$4,779,521	$1,118,895	$929,923	$879,245	$7,726,089
1981	5,117,286	1,313,072	1,326,279	1,488,957	9,258,359
1982	5,959,930	964,759	1,260,599	1,016,388	9,214,799
1983	8,048,092	1,483,008	1,813,231	1,075,390	12,433,639
1984	8,356,601	1,683,050	1,959,067	1,115,781	13,133,223
1985	8,817,149	1,744,145	1,913,124	1,381,627	13,875,807
1986	9,558,054	1,905,636	1,975,026	1,556,725	15,021,782
1987	10,159,056	2,253,658	2,084,845	1,726,950	16,246,825
1988	11,845,858	2,269,074	2,347,255	1,852,623	18,344,710
1989	13,200,800	2,811,879	2,450,532	1,919,892	20,383,105

† The values shown include the penalty assessment used in calculating penalties for the late payment of taxes. The individual categories do not include penalties that have been assessed.

LARGEST PRIVATE EMPLOYERS

Company	Number Of Employees	Primary Location
South Central Bell	33,000	Birmingham
Morrisons, Inc.	26,000	Mobile
Bruno's Inc.	11,000	Birmingham
Russell Corporation	11,000	Alexander City
Alabama Power Company	10,300	Birmingham
Blount, Inc.	8,100	Montgomery
Torchmark Corporation	7,000	Birmingham
Intergraph Company	6,870	Huntsville
SCI Systems, Inc.	6,660	Huntsville
Vulcan Materials Company	6,500	Birmingham
Delchamps, Inc.	5,800	Mobile
AmSouth Bancorp	4,320	Birmingham
Parisian, Inc.	4,300	Birmingham
U.S. Pipe And Foundry Company	4,250	Birmingham
SONAT, Inc.	4,140	Birmingham
First Alabama Bancshares, Inc.	3,700	Montgomery
Southtrust Corporation	3,500	Birmingham
American Cast Iron Pipe Company	3,000	Birmingham
Southern Company Services, Inc.	2,740	Birmingham
EBSCO, Inc.	2,650	Birmingham

Source: Dun's Business Rankings, 1989